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[No. 4]

SUBCOMMITTEE HEARING ON H. R. 2581 AND H. R. 2123

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE No. 3,
Washington, D. C., Monday, February 7, 1955.

The subcommittee met at 10 a. m., the Honorable Carl T. Durham, chairman of the subcommittee, presiding.

Mr. DURHAM. I think we will proceed, if there is no objection.

The committee will come to order. We have two bills before us this morning. The first one, H. R. 2581, contains the fiscal year 1956 construction program for the National Advisory Committee for Aeronautics.

I note that the Langley, Ames, and Lewis Laboratories, and the Pilotless Aircraft Station, at Wallops Island, each has construction items planned for the coming year. The largest amount in the bill is for the Lewis Laboratory, at Cleveland, and the greater part of that proposed expenditure is in the field of research in nuclear propulsion. The total authorization of the bill is \$13,300,000.

The other bill which I hope we will find time to consider is a small bill which we passed out last year, but it failed to become law during the session. It is commonly known as the Natural Fibers Act.

I see Dr. Dryden is here this morning, whom we have had the pleasure of having before us since this program was first initiated.

We are very glad to have you people here with us this morning, and if you will proceed to tell us what you need, and what you want, Doctor—H. R. 2581.

(The bill is as follows:)

[H. R. 2581, 84th Cong., 1st sess.]

A BILL To promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to subsection (b) of section 1 of Public Law 672, approved August 8, 1950 (50 U. S. C. 151b), the National Advisory Committee for Aeronautics is authorized to undertake additional construction, to acquire land, and to purchase and install additional equipment at the following locations:

Langley Aeronautical Laboratory, Hampton, Virginia: Improvements to an existing transonic tunnel and improvements to roads, \$3,395,000.

Ames Aeronautical Laboratory, Moffett Field, California: High-speed free-flight facility, range for aerodynamic heating and dynamic stability testing, and data-reduction equipment, \$1,055,000.

Lewis Flight Propulsion Laboratory, Cleveland, Ohio: Component research facility for nuclear propulsion, improvements to an existing transonic tunnel, additions to two existing laboratory buildings, repairs and modifications to utility installations, and acquisition of not to exceed five hundred acres of land, \$8,760,000.

Pilotless Aircraft Station, Wallops Island, Virginia: Fuel-storage magazine, \$90,000.

SEC. 2. Any of the approximate costs enumerated in section 1 of this Act may, in the discretion of the Director of the National Advisory Committee for Aeronautics, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work so enumerated shall not exceed \$13,300,000.

SEC. 3. There is hereby authorized to be appropriated not to exceed \$13,300,000 to accomplish the purposes of this Act.

STATEMENT OF DR. HUGH L. DRYDEN, DIRECTOR, NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

DR. DRYDEN. Mr. Durham, we plan to proceed in open session for a rundown on the program. At a later time if we do get into classified matters we will ask the session be closed.

MR. DURHAM. I should have asked you that. Most of this before, as we all know, has been testimony mostly of a nature that could not be revealed. We will leave it to you.

DR. DRYDEN. Since there are some new members unfamiliar with the agency, we have a thumbnail sketch in the form of this chart: The National Advisory Committee for Aeronautics is an independent agency of the Government, the principal agency for aeronautical research of a basic and fundamental nature, and with unequalled facilities to support the aircraft-development program of the Defense Department.

The first column shows aerial views of our plant. We have a capital investment which is in the neighborhood of \$300 million at the Langley Laboratory in Virginia, Ames Laboratory in California, the Lewis Laboratory in Cleveland, the High-speed Flight Station at Edwards, Calif., and a small station on the Virginia coast where aerodynamic measurements are made on rocket-propelled models.

The facilities are indicated very briefly in the second column. There are 22 supersonic wind tunnels, 8 transonic tunnels, 14 subsonic tunnels, 4 altitude tanks for making investigations of the performance of jet engines at high altitude, 260 specialized research facilities, 4 flight research facilities, and 1 pilotless flight range.

The product of the agency is scientific aeronautical information which is disseminated to the military services, the aircraft industry, and others concerned in several ways. There are shown photographs of classified technical conferences, where the latest research information is presented to the aircraft designers, who are designing our military aircraft and missiles. We issue classified reports. There is just one shown on the chart. This particular one has to do with some measurements for the Air Force on our newest fighter, the F-102. At the bottom of this column we show the conferences which have more immediate impact on the program, conferences with the engineers of companies who have been given the responsibility of developing our military weapons, and with the military people, themselves.

The bottom picture is a picture of Walt Williams, the man in charge of our flight station at Edwards, Calif., in conference with General Boyd of the Air Force, who is in charge of the Wright Air Development Center, Dayton, Ohio.

The users of NACA information are Air Force, Navy, Army, aircraft industry, engine industry, air-transport industry, private flying, and universities. The greater part of our effort is presently concerned with defense matters. We do, however, represent the research interests of all aspects of aviation.

The last column shows the product with which you are more familiar. We are working at the lower end of the airpower totem pole—on the foundations, which lead up to the aircraft and missiles that are shown.

The bottom picture refers to some of our work on the problem of fire in aircraft crashes, which has brought great returns in means for reducing the fire hazard in crash landings.

The lower one shows some tests made in connection with the safety of private-owner aircraft, in conjunction with some of the agencies who are concerned with that problem.

I think, Mr. Chairman, this is just a thumbnail sketch to say who we are and what we do.

Mr. DURHAM. That covers pretty well your relationship with the other departments of the Government.

There is one thing I would say at this point, since some of the members are not altogether familiar with the beginning of this organization. You might state when you were first authorized and the years you operated.

Dr. DRYDEN. The NACA was established in 1915, and its expansion, of course, came with World War II. At that time, in connection with some of the expansion, or shortly after World War II, I should say, we came before the Armed Services Committee in the same manner as the Defense Department, seeking authorization for construction items. Up until that time the authorizations had only been through the appropriation legislation itself, based on a liberal interpretation of the NACA Organic Act of 1915, which for years was accepted as authorizing construction.

Mr. DURHAM. Do you mind telling us at the present time, is your unitary wind tunnel program completed, as far as the tunnels themselves are concerned, that you first asked this committee to authorize?

Dr. DRYDEN. Substantially, yes. I have some pictures. There was appropriated \$75 million for three NACA unitary plan facilities, and here are photographs of those facilities. Seventy-three million of the 75 million has been obligated. Two of the wind tunnels are in the course of their shakedown tests, and will be turning out information shortly.

Mr. DURHAM. You have had no more requests this year from the Department of the Air Force for any additional wind tunnels?

Dr. DRYDEN. To the best of my knowledge, there is no request for new wind tunnels.

Shall I just proceed with the current program?

Mr. DURHAM. Proceed.

Dr. DRYDEN. I think you have a book before you.

Mr. DOYLE. May I interrupt at this point?

Dr. DRYDEN. Yes.

Mr. DOYLE. In view of your question and your answer, I sat on this committee last term, also, and enjoyed hearing you I think for 3 or 4 terms, but this morning I was under the impression that still you didn't have enough wind tunnels. That is, I gained that impression during these last few years. Does your answer mean that you have reached the peak of your estimated need for wind tunnels?

Dr. DRYDEN. In the course of a business which grows as fast as aeronautics, it is always dangerous to say that you have reached any peak, but I would say the major demands are pretty well along.

You will find in our present request some requests to modernize equipment, to keep it up to date. This has been characteristic of our picture right along.

You will not, I think, receive within the next year or two any requests for \$35 or \$40 million wind tunnels. I think this is a fair statement.

I hope that this presentation is not confusing. In the bill, the items of construction are grouped by geographical locations. The first page of your book has a list by priorities. To simplify your following the book we will turn to the text rather than the summary on the first page and proceed by locations.

At the Langley Aeronautical Laboratory in Virginia there are two items. The first one relates to the matter of keeping the 16-foot transonic tunnel current with research needs. I may recall to the committee that the transonic wind tunnel is an invention of the NACA. Until this invention was made there was no way of making tests in the immediate neighborhood of the speed of sound. The 16-foot tunnel is the first large tunnel in which this invention was used.

Mr. DURHAM. That carries up to what speed, Doctor?

Dr. Dryden. It carries us up to a speed slightly above the speed of sound—a Mach number of about 1.1. It is now proposed to carry it up to the lower limit of supersonic tunnels, which is a speed of 1.2 times the speed of sound. This will be done by a method which does not involve large alterations in the tunnel structure.

I am afraid that a full explanation would be somewhat technical. Briefly, compressors are required to remove air from the ventilated test section, compress it and restore it to the circuit. This wind tunnel cost about \$11.4 million. Its replacement cost at the present time is nearer \$14 million, and the expenditure planned is a little over \$3 million for this air removal system.

I think I would first like to run through these items very quickly and then come back for detailed discussion.

The next item covers improvements to two existing roads which have just plain worn out. The bill includes \$120,000 to replace these roads.

Mr. KELLEHER. How many miles, Doctor, will that cover?

Mr. ULMER. A total of 1,800 feet.

Mr. KELLEHER. That must be very heavy construction.

Dr. DRYDEN. One of the roads is a heavy road. It runs alongside of a railroad, where heavy equipment is unloaded. The other is a lightly surfaced road to one of the service facilities.

At the Ames Aeronautical Laboratory, there are three facilities. Two of these are new aerodynamic facilities, at a cost of \$635,000, and \$230,000. Their importance is far more than suggested by the cost figures. These deal with facilities needed for research in connection with the very long-range guided missile program, missiles which travel outside the earth's atmosphere, and have to come back in again. The one facility provides for a study of problems at speeds of between 9 and 18 times the speed of sound.

In this very high-speed range, wind tunnels do not operate because the great expansion required to get these very high speeds would liquefy the air from the cooling. Wind tunnels are limited to something in the neighborhood of 8 to 10 times the speed of sound.

Furthermore, in a wind tunnel, because of this expansion and cooling, it is not possible to simulate the very high temperatures that are

reached when missiles travel through the air under normal conditions. This is relatively inexpensive apparatus we are requesting to do basic research on the problems that we must solve in connection with these developments.

Mr. DURHAM. Do those gas chambers prove to be accurate? Have you done your basic research job on those to a point where you can tell?

Dr. DRYDEN. This is almost in the nature of basic research. Enough has been done on a small scale to indicate this will give very valuable results, although it certainly will not solve all of the development problems.

The next item is a related small range, \$230,000, in which the dynamic stability of aircraft and missiles in free flight can be measured.

It will also produce data on the temperatures of bodies moving rapidly through the air as in flight.

The third item is a straight business proposition of saving money. In connection with the modernization of one of the large wind tunnels authorized a few years ago, some data reduction equipment was temporarily available for use on problems in our 1- by 3-foot tunnel. It was found that the savings in tunnel test time, and in the data reduction costs were of the order of 25 percent. The operating cost of this facility is about \$275,000 a year, and by an expenditure of \$190,000 we can either save \$70,000 a year or do that much more work. It is a straight business proposition.

At the Lewis Flight Propulsion Laboratory, we have the top priority facility, a component research facility for nuclear propulsion. It may come somewhat as news to this committee, since we have not required special facilities for this purpose, that the committee has been working as a junior partner with the Atomic Energy Commission and the Department of Defense, as well as the contractors on the nuclear aircraft program.

In 1946, the chief of research of our Lewis Laboratory served as a consultant to the NEPA project, which I think most of you will remember. The NACA assistant director for propulsion research served on the Atomic Energy Commission's Lexington project, which made one of the early studies in this field in 1948, a study to determine the practicality of nuclear powered aircraft. In 1949 the AEC set up an ad hoc committee composed of myself from the NACA, Dr. Hafstad from the AEC, Admiral Lonnquest of the Navy Bureau of Aeronautics, and General Putt of the Air Force, for the purpose of coordinating the efforts of the NACA, AEC, and military services. The NACA had special capabilities in the field of heat transfer, in the field of materials, and in the field of jet engines generally, and, as most of you know, in the nuclear-power plant, the nuclear reactor replaces the combustion chamber, and you still have other components of the engine.

About in 1947 a working agreement was signed between the chief of the AEC Clinton Laboratories Division and the Director of NACA. The scope of this agreement has been extended from time to time, and at present the agreement is between the General Manager of the AEC and the Director of NACA. This agreement defines the areas of interest to both AEC and NACA, procedures for obtaining NACA assistance, and the loaning of NACA personnel to AEC for training purposes.

I emphasize, again, that the NACA has been a junior partner in this enterprise, and has been concerned with the same type of basic research support as it now carries on in connection with jet engines, ram-jet engines, and rocket engines.

Mr. DURHAM. You have probably been junior in size but not junior in depth, I would say.

Dr. DRYDEN. We will let others judge that.

Mr. DURHAM. Knowing something about what you have done.

Dr. DRYDEN. We have been able to simulate the temperature and pressure conditions with facilities which we have normally available at the laboratory. We have done a very limited amount of work on radiation effects, using small quantities of material obtained from the Atomic Energy Commission. It seemed to us that we were not making an effective contribution on the whole program because we were not also simulating the large radiation, neutrons, and gamma rays, to which the parts of nuclear engines and nuclear aircraft would be subjected. The facility which is before you uses as a source of radiation what I would call by now a common garden variety of research reactor. This is a tool which becomes a source of radiation, so that we can subject materials and components to the realistic radiation temperature and pressure conditions they would meet in a nuclear power plant.

Mr. DURHAM. What is the cost of that one, Doctor?

Dr. DRYDEN. The cost of this facility is \$4,850,000.

First, I want to tell you about the coordination with the AEC and the Department of Defense: We called on Chairman Strauss and had many discussions with General Keirn and his group within the Commission who are charged with the primary responsibility for this program. As a result, I have an unclassified letter from Chairman Strauss dated October 27, 1954, which can be read into the record.

DEAR DR. HUNSAKER: In reply to your letter of October 14, 1954, we are agreed that it is quite timely that the NACA should at this time propose to construct a component research facility for aircraft nuclear propulsion. The complexity of materials of heat transfer development problems pertaining to the application of nuclear energy to aircraft propulsion certainly warrants all the attention that can be devoted to them. In recognition of the strategic military and diplomatic advantages of truly long-range aircraft, the Commission for some years has engaged in a substantial development effort on the nuclear portion of this program, in cooperation with the Air Force and NACA, aimed at achievement of practical nuclear powerplants for this purpose. While substantial progress has been made, much remains to be done to augment and extend our knowledge.

The Commission approves wholeheartedly the project you have proposed.

I may interject that this received the formal action of the full Commission, and was not merely the action of the Chairman. I continue to quote from Chairman Strauss' letter:

It will be pleased to review the plans for your new facility to make such suggestions as are appropriate and to render such other technical assistance as it can.

Sincerely yours,

LEWIS STRAUSS, *Chairman.*

Now, similar letters—but unfortunately classified—have been received from Donald Quarles, Assistant Secretary of Defense for Research and Development. His letter contained the proviso that we should, of course, clear with the AEC and avoid duplication with their programs.

We have similar classified letters from the Air Force and the Navy. These could be shown to the committee, but cannot be placed in the open record.

Mr. DURHAM. Doctor, at this point I think it is well to discuss this item pretty fully. I have some views on it. I am of the definite opinion that you should have had it probably long ago. I think it is almost necessary in the type of work you do in nuclear-powered engines, of which, of course, we expect to build more in the future.

Dr. DRYDEN. Mr. Chairman, I think we will have to come back to this for full discussion. I wonder if I might run through the rest of the program?

Mr. DURHAM. All right.

Dr. DRYDEN. There is one other point in connection with this Lewis facility: Of the \$4,850,000, \$270,000 is estimated for the purchase of approximately 500 acres of land. We expect to have a site survey made by a competent consulting firm. We cannot, we think, locate this on the present site of the laboratory, because of the precautions that are necessary in connection with nuclear reactors. We do feel that it will be possible to locate this research reactor in the general vicinity of Cleveland, so that we do not have to build up an elaborate supporting organization in connection with its operation. It can be operated as an auxiliary station of our Cleveland laboratory, just as we operate the small pilotless flight range as an auxiliary station of our Langley Laboratory. We can do it that way at far less cost than if we went a long distance and tried to build up a completely new laboratory.

I think you will want to come back to this point.

The other point to mention is this: I think you gentlemen are always interested in what the operating cost of new facilities that you authorize is likely to be. The estimated operating cost of this facility is about \$375,000 per year. The entire personnel complement would be about 70.

Now, to run through the other items at Lewis: There is an item of \$2.6 million for conversion of the 8- by 6-foot propulsion tunnel to transonic operation. This wind tunnel is one in which burning can be done, in which you can actually run engines.

It at present begins with a low supersonic speed and we are finding it necessary to do combustion experiments at transonic speeds.

This particular tunnel was one of the first three large supersonic wind tunnels built in this country, shortly after World War II. At that time it cost about \$6.6 million. It is estimated that it would cost \$13 million to reproduce the same thing today.

We are proposing to spend about \$2.6 million to make this wind tunnel capable of operation at speeds in the neighborhood of Mach No. 1.

Mr. DURHAM. That is a new tunnel, not one of the old rebuilt tunnels?

Dr. DRYDEN. It depends on "old." It is a tunnel 10 years old which we would like to convert to make it more useful.

By agreement with the Bureau of the Budget we include in the construction and equipment authorization all items of construction involving brick and mortar and items which are estimated to cost about \$100,000 or more. This accounts for what may seem to you to be an inordinate number, from the point of view of what you are used to in the Defense Department, of relatively small items. I am

not saying the money is not sizable. It is an appreciable amount of money, but I did want to explain why these smaller items are included.

One of the fields in which there is great hope for large improvements in the performance of aircraft is through the development of special high-energy fuels. We need a couple of extra test cells to carry out new work on these fuels. They are types of substances which are toxic, poisonous in nature, and you cannot run them in the ordinary test cells which are already there. We are requesting \$310,000 for this purpose.

There is an item of \$490,000, which brings a benefit all out of proportion to its cost. It, again, is one of these straight business items. As the Lewis Laboratory has grown, we have found it a very good business proposition to keep our facilities interconnected so that all of the air handling capacity available could be used at any test cell. In other words, instead of buying new exhausters, the installation of appropriate tie lines will permit the existing exhauster capacity to be used in every test cell location so that a large engine could be run in any of several spots. This item is a tie line connecting the altitude exhaust systems of the propulsion systems lab, the engine research building, and the altitude wind tunnel.

There are additional fuel storage tanks necessary—\$145,000. As you know, jet engines use large amounts of fuel. As the laboratory has grown the existing fuel storage capacity has become inadequate.

The next item is one for \$185,000. Experience in our propulsion systems laboratory has shown that a great deal of time could be saved if some of the repairs, the instrumentation work on the engines to be put into this facility, could be done right at the facility, rather than trucking them to some other part of the grounds. This item covers the provision of workspace as an alteration to the existing shop building of the propulsion systems' laboratory.

The final item at the Lewis Laboratory is \$175,000 to repair an altitude exhauster which failed in operation and was wrecked.

The last item included in the bill is for the pilotless aircraft station, a fuel storage magazine for the storage of rocket motors and igniters. At present we do a lot of this storage at Langley Laboratory, and take the material to Wallops Island when needed. We are now getting into larger rocket motors with the higher speeds. They cannot be transported on the ferryboats across the bay, for safety reasons. It is sound business to have the rocket motors delivered directly to the test site, and it will be necessary to provide this fuel storage magazine at the site.

This completes a brief statement of the items in the 1956 program.

There is one general problem that I want to bring to your attention: Each year the General Accounting Office makes an audit of our operations. In connection with their audit they have brought up the question of appropriation practices of the Congress, and have made some recommendations to the Congress in the last 2 years. I want to be sure that the committee is familiar with them. If the Congress wants us to operate differently, we would like to know about it.

The point is this: In connection with our construction work we have technical people whose salaries are carried in our salaries and expenses appropriation. As many of you know most of our construction is highly technical.

Mr. DURHAM. Dr. Dryden, before going into this, tell us how this affects the authorization committee.

Dr. DRYDEN. The recommendation was that the Congress should write restrictive legislation which would make us charge the salaries and expenses of our design and inspection staffs to the construction appropriation itself. The records from the accounting standpoint are clear. The GAO points out that in the last 5 years, when we have spent, I think, about \$137 million on construction, that some \$6 million, or 4.7 percent, or if you want to look at it in another way, about 1 percent of the cost per year, is charged to our salaries and expenses appropriation. This covers the salaries of the engineers and draftsmen who make preliminary designs, and inspectors who see that the construction is done in accordance with our specifications.

The preparation of specifications is quite a highly technical matter. For much of the equipment designed—we have the greatest source of design knowledge in the country. I say this somewhat modestly. We were recently called upon to assist the AEC, and one of its contractors, in the design of compressors for a new facility. We were able to save them in operating costs something like a million dollars a year, because of the special knowledge of our people gained from our research on compressors.

We have prepared our budget in this manner for years. The Budget Bureau is familiar with it. I am not so sure this committee is familiar with it. The Appropriations Committee is familiar with it. There has been no objection whatever from any congressional source. It is a simpler and less expensive way of doing business.

As I say, the accounting records are clear. It is perfectly easy for the GAO to get from our records the amount of money which might be said to contribute to the construction program. The information is available to Congress at any time it wants it. We would be happier not to have to draw some very fine line between what you say is the price of this building and what you might consider the normal operations of the NACA. However, we are willing to do anything which the Congress wishes in this matter.

Mr. KELLEHER. Doctor, the committee can understand it is a bookkeeping matter, and that is all. In other words, each of these items set out in the bill with a specific price actually will cost a little bit more than this?

Dr. DRYDEN. That is right.

Mr. KELLEHER. One percent or perhaps less than 1 percent, but in the order of that?

Dr. DRYDEN. That is right.

I think, Mr. Chairman, that completes this very quick rundown on the projects, and we can either proceed or try to proceed in open session, or if you wish to go into more detail——

Mr. DURHAM. Doctor, on the point you have just discussed, I want you to be perfectly frank with the committee because this agency, I think, probably is the heart of the whole development of our Air Force, and has been. I give it credit for a great amount of our advances in the sciences in this field.

I would like for you to give the committee a frank answer: Could you operate better under the recommendation of the GAO or could you operate more efficiently as you are operating at the present time? You have never requested a large amount of funds. It is an agency that has always operated very efficiently, as far as I have been able to determine in the past 17 years, at least.

Dr. DRYDEN. Mr. Chairman, we are convinced that the most efficient operation is under the present procedure.

Mr. DURHAM. You are being perfectly frank with the committee. As I say, I am not familiar with the operation because I have not studied it. It is a matter we can take up later if we care to have some legislation on it.

Dr. DRYDEN. Since the General Accounting Office has raised the question 2 years in succession, I wanted to be sure to bring it to your attention. We are quite happy with the present situation. We think it is the most efficient. We have not been able to convince the GAO, however.

Mr. DURHAM. Does any member of the committee have any question they would like to ask Dr. Dryden?

Mr. DOYLE. Mr. Chairman, I would like to ask about this item of land.

Mr. DURHAM. Mr. Doyle.

Mr. DOYLE. That is, 500 acres on page 4.

Isn't there any land you can get without adding the 500 acres?

Dr. DRYDEN. It is possible the site selected will be on federally owned land. Our present difficulty is we cannot proceed too vigorously until we know whether land acquisition is authorized. We will then have to make a site study. We have to comply with all the safety requirements of the AEC. There are some Federal sites which may possibly be suitable. This authority is requested so we don't have to come back to you again, if it does not prove possible to use federally owned land.

Mr. DURHAM. Mr. Doyle, at that point, since we have opened up this matter for discussion, this is the reactor; this year the AEC has a very large program of building reactors all over the country for research facilities, and, of course, they all use some amount of fissionable material. What has disturbed me a little bit, Doctor, is the fact that every year—of course, last year the Joint Committee on Atomic Energy did not have authorizing power, but they do have under the new legislation. I discussed this item with Mr. Cole and also with the Chairman, and last year the Army came in and asked for a reactor, the Navy came in and asked for a reactor, and it looked to me as if we should at least have all of this facility flowing from one point; not get it scattered all over if we could help it.

I don't know whether the committee members will agree with me or not, but I am of the opinion that since there is a committee that has authorizing power now that this item should go to that committee.

I understand how it got here, and I am for it, understand. I think you should have it. I think you should have had it last year, but you didn't ask for it. I feel that this item should go over, and come in new legislation. If the committee feels the same way, I think it would give for much better construction of this whole system, since it is also closely related, hazards, and everything else, and then you don't get into this field of confusion on Capitol Hill.

Dr. DRYDEN. From my point of view, the handling of the legislation is a congressional matter. We were authorized by the Bureau of the Budget to send it over in one document, and this we did. Now, it is up to the Congress to decide what committees should consider it, and we are quite willing to appear before any committee.

Mr. DURHAM. The main disturbance, of course, is the use of the fissionable material because, after all, you have to go to the Com-

mission for that directly. You can't get it from any other source.

Dr. DRYDEN. That is correct.

Mr. DURHAM. It is all controlled by them, and it is your field element you have to have.

Dr. DRYDEN. Mr. Chairman, General Keirn, from the Commission, who heads the program on nuclear propulsion of aircraft, is with us this morning. You may want to ask him some questions about this.

Mr. DURHAM. All right.

Mr. PRICE. Mr. Chairman.

Mr. DURHAM. Mr. Price.

Mr. PRICE. Doctor, these are all existing facilities, are they not?

Dr. DRYDEN. The nuclear facility is new. The two small high-speed free-flight facilities at the Ames Laboratory are new. The fuel storage magazine is new; the rest are all essentially what you would call modifications and alterations.

Mr. PRICE. I remember when we were in some argument about Tullahoma, there was some conversation on the floor based on the belief that even Tullahoma wasn't necessary; that we had sufficient wind tunnels to conduct the research that was needed in this field. I am not one of those that believed that.

I would just like for you to give us an answer to that type of an argument.

Dr. DRYDEN. You mean to the argument the facilities are not needed?

Mr. PRICE. That is right, that we have sufficient number of wind tunnels—the Army, Navy, and Air Force, have wind tunnels in different sections of the country, and that any new facility would be just overlapping what we already have.

Dr. DRYDEN. Mr. Price, I think there was a very complete hearing on this matter before the Senate in which I tried to state quite definitely that the facilities at Tullahoma are unique. There is nothing like them elsewhere; that they are needed for the program; that the three unitary plan facilities of the NACA and the facilities at Tullahoma were part of a considered plan by the NACA and the Department of Defense.

There were essentially five wind tunnels in these facilities. They were aimed at various specific parts of the technical picture, and, in my opinion, they are all needed, and they will be filled with work very quickly.

Mr. DURHAM. Excuse me, Mr. Price, but when we set up the unitary plan we set it up for that idea of controlling it almost entirely under the supervision of NACA as an agency of the Government so we would not get a surplus.

Mr. PRICE. That is one point that I would like for these hearings to develop fully because I am certain you do have opposition to any additional construction of any sort.

Dr. DRYDEN. There was a very comprehensive hearing on this matter in the Senate. Without refreshing my memory, I cannot identify the Senator who initiated this hearing. There was a very extensive—

Mr. ULMER. Senator Ellender.

Dr. DRYDEN. Senator Ellender initiated a hearing on this whole subject. The Defense Department had a very comprehensive report, which was submitted at that hearing, and there was a discussion

lasting half a day. I could repeat a part of it, but I don't know that you want me to do that now. The conclusion of the committee was and Senator Ellender himself said that apparently there is need for all of these facilities. This appears in the record. I can't quote his exact language.

Mr. PRICE. Each facility has a peculiar responsibility.

Dr. DRYDEN. A technical capacity; yes, sir.

Mr. PRICE. They are not duplicate facilities.

Dr. DRYDEN. That is right.

Mr. PRICE. That is all I have, Mr. Chairman.

Mr. DURHAM. Mr. Hess.

Mr. HESS. No questions.

Mr. DURHAM. Mr. Bray?

Mr. BRAY. No questions.

Mr. DURHAM. Mr. Doyle?

Mr. DOYLE. May I ask this: Why couldn't some of these wind tunnels serve more than one purpose, and thus reduce the capital investment? Why couldn't you build sort of a multipurpose or dual-purpose wind tunnel?

Dr. DRYDEN. This, of course, comes from trying to oversimplify. The workload was also studied in great detail. The problem is something like this: I mentioned that we have this one tunnel where we can run an engine and burn fuel and let the gases go out without any disturbance. I failed to mention that one of the unitary plan tunnels being completed there at Lewis also has this capacity.

If you have to do burning you cannot do it in the wind tunnel where the air has to be recirculated through the compressor and the motor, so when I referred to special technical capacities, or limitations, this is the kind of thing I mean.

Now, you do have to consider workload, because obviously you could use this expensive facility in which you provided the means of handling exhaust gas for an ordinary aerodynamic test; it would be like using a 10-ton truck for a 1-ton truck job. It would be highly expensive to use that facility for some of the other types of tests.

The workload study showed that in the case of small supersonic wind tunnels, we certainly had all that we needed, and perhaps 1 or 2 more, and some steps were recommended to deal with that situation.

In the case of the large facilities, which were not yet in operation, it was pretty hard to point specifically to requirements equal to the total capacity of all facilities if they were run 2 and 3 shifts a day.

Mr. DOYLE. May I make my question a little bit more clear: I visited, as you know, several of these very interesting wind tunnels, and the impression I gained from all of them, or the larger ones, was there was a tremendous amount of money went into the foundations and the walls and the roofs, et cetera. Why couldn't the largest capital investment in each of these larger wind tunnels be so invested that you could have more than one purpose served?

Do you get my meaning? In other words, the walls, the structure, the foundations, the roadways, and all those things—why can't they serve just more than one test?

Dr. DRYDEN. They do serve more than one purpose. You have a picture there, I think, of the Ames unitary tunnel. That tunnel has three circuits running off the same powerplant. Those three circuits differ in the speed ranges they cover. That wind tunnel can be used

for aircraft models and also for missile models. That installation comprises, in effect, three different purpose wind tunnels of differing capacities, but all operating, one at a time, with the same motor drive installation, quite along the lines of your suggestion.

I think you have to consider, both the need for the specialized kind of work that can only be met with a particular type of facility, and also the workload as a whole. The survey I mentioned was made on the assumption that the Department of Defense's research and development program in aircraft and missiles would be stabilized at about the level it then had. I think it climbed a little bit. It was also based on the assumption that we are going to continue to push the performance of aircraft and missiles to still higher speeds at higher altitudes. You may recall the whole purpose of these new unitary wind tunnels was to get above a Mach number of 2, twice the speed of sound.

Mr. DURHAM. Then at the present time, if I get your statement, Doctor, you feel like the Air Force, as far as speed is concerned, where the human element is involved, has the facilities to carry out whatever necessary research a man can withstand.

Dr. DRYDEN. That is right. I don't need to remind you that man has flown at two and a half times the speed of sound. The research airplane that was used is not a practical military aircraft, and, very frankly, it has stability and control problems. We are using those research airplanes to study such problems.

Mr. DURHAM. This committee can say that what is involved in this bill is additional equipment to the present equipment in the field of speed of guided missiles to a large extent?

Dr. DRYDEN. I tried to summarize it earlier in this way: The new equipment is for two purposes: One is to support the nuclear power plant development in the same way that we have been doing in the development of the jets, the ram jets, and the rockets. Two, to do the basic research supporting the long-range ballistic missile development.

Mr. DURHAM. Can't we practically understand when we authorize this research instrument in the nuclear field that we provided one already for the Army, we provided one for the Navy. Now, we could provide one for the Air Force to a certain extent?

Dr. DRYDEN. May I tell you what I conceive to be the principal difference? As I understand it, the research reactor of the Navy will be used primarily for materials for use in submarine and ship powerplants.

Mr. DURHAM. That is correct.

Dr. DRYDEN. The one that we are requesting is primarily for aircraft powerplants, and the one the Army has is primarily for the portable power in remote areas. I don't say as Mr. Doyle has mentioned, that you cannot do both with one facility, but the program is so large that you are certainly going to have more than one facility working on the submarine, ship, aircraft, and stationary powerplant problems.

Mr. LANKFORD. Mr. Chairman, may I ask a question?

Mr. DURHAM. Mr. Lankford.

Mr. LANKFORD. What do they mean by unitary plan wind tunnel?

Mr. DURHAM. That was a plan that was adopted by this committee and enacted into law whereby we authorized most of these expensive facilities under one bill for the NACA, Air Force, Army, and Navy.

We set up a unitary plan that would provide the necessary facilities for all these agencies, and not let it get so spread out.

Dr. DRYDEN. That is correct. Just after we became acquainted with all the Germans had been doing on V-2 rockets, and all these subjects, there was a great effort in this country to plan our resources for the future on a broad front. We had been concentrating on winning the war by improving the airplanes that we then had. There came up before this committee—I don't know whether it ever reached this committee, I guess it didn't quite reach this figure—a figure of \$2.2 billion for new facilities. I think it was trimmed down considerably before it got to the Congress.

Mr. DURHAM. That is right.

Dr. DRYDEN. I believe the amounts finally authorized are perhaps in the neighborhood of \$400,000.

Mr. DURHAM. Four hundred million.

Dr. DRYDEN. Four hundred million dollars. I beg your pardon. And the amount appropriated is somewhat less than that. So it is called unitary because there was an attempt to get everybody's needs considered at one time instead of having each of us in here piecemeal.

Mr. LANKFORD. In other words, these wind tunnels and facilities are part of an overall plan, all of which meshes together?

Dr. DRYDEN. That is the intent of the word; yes, sir.

Mr. MOLLOHAN. Mr. Chairman.

Doctor, is there any basic difference in construction requirements, or the construction plan of the wind tunnel used for the naval experiments and those of the Air Force or the Army?

Dr. DRYDEN. You are talking wind tunnels or nuclear facilities?

Mr. MOLLOHAN. Wind tunnels, themselves. You say you would not say they could not be used, but you left a shadow of doubt in my mind.

Dr. DRYDEN. The technical characteristics are quite different—the speed, size, power, the kind of models it will take, the pressure of the air in the tunnel, and in some cases temperature.

Mr. MOLLOHAN. Actually, whether we had given you authority to build wind tunnels to serve all of these purposes you still would have needed the same number of wind tunnels?

Dr. DRYDEN. That is right. The effort has been to coordinate the needs of all the agencies. There is now set up for the first time a facilities coordinating committee in the Department of Defense, and in Secretary Quarles' office, on which I sit, along with Army, Navy, Air Force, and Secretary of Defense representatives.

Mr. MOLLOHAN. There has been no additional expense involved so far as we are concerned with the giving of the authorization to the Army and to the Navy and to the Air Corps?

Dr. DRYDEN. That is right.

Mr. DURHAM. Dr. Dryden, can you tell the committee at the present time how many facilities you have that can test a complete engine?

Dr. DRYDEN. There are four large altitude tanks. There are some smaller ones.

Ralph, can you answer that?

Mr. ULMER. Four large altitude tanks, the altitude wind tunnel and the 8- by 6-foot wind tunnel.

Mr. DURHAM. They were authorized under the original project?

Dr. DRYDEN. Some before that.

Mr. DURHAM. The engine test facilities, then, you feel are in fairly excellent shape?

Dr. DRYDEN. So far as the Government is concerned, the engine test facilities are in pretty good shape.

Mr. DURHAM. Having some knowledge, I think probably the greatest knowledge of any individual here in America, I would say do you regard our facilities now surpassing the facilities as far as you know in any part of the world?

Dr. DRYDEN. Yes, sir.

Mr. DURHAM. Any other questions from the committee?

Mr. PRICE. I would like to ask one more question, Mr. Chairman.

On that chart you have 260 specialized research facilities listed. What type of facilities are those?

Dr. DRYDEN. I think what is shown there in the photograph is a setup for research on turbine components of engines as an example. The figure is a rough count. There is a fuels laboratory, for example; there is a structures research laboratory; several facilities for hydrodynamic work on flying boats, and so forth. This rough figure is used to give some idea of the great number of different kinds of specialized facilities needed for research in aeronautics.

It is an attempt to give some idea of the general scope and magnitude of the facilities at our laboratories.

Mr. PRICE. Doctor, your committee, of course, is an advisory committee?

Dr. DRYDEN. This is a misnomer, sir.

Mr. PRICE. I was getting to that point. I wonder what your administrative capacity is in connection with these facilities?

Dr. DRYDEN. Do you mean in terms of the operating budget? It has been of the order of 50 or 52 million dollars a year. The total number of employees, about 7,200. It is set up as an independent agency of the Government, with a 17-man committee, which is like a board of directors. Dr. Hunsaker is chairman of the committee. On that committee are representatives of the military services—General Twining is a member of the committee, General Putt is a member of the committee, and Admiral Ofstie and Admiral Harrison. Mr. Quarles is a member of the committee. There are representatives from industry—people from industry, not really representing industries, but members in their own right, Arthur Raymond of Douglas, Fred Crawford of Thompson Products Co., Jimmy Doolittle, the vice president of Shell; Dr. Astin, the Director of the Bureau of Standards; Mr. Preston Bassett, president of Sperry Gyroscope Co.; Dr. Carmichael, the Secretary of the Smithsonian Institution; Mr. Ralph Damon, president of TWA; Dr. Bronk of the National Academy of Sciences; Dr. Reichelderfer, Chief of the United States Weather Bureau; and Messrs. Adams and Ryan of the Civil Aeronautics Board are the other members of the "board of directors."

Mr. PRICE. Do you go into the administrative functions in connection with these facilities?

Dr. DRYDEN. We operate them. We do the research.

Mr. PRICE. You actually operate them?

Dr. DRYDEN. Oh, yes. We have a civil-service staff. I am the full-time head of the civil-service staff.

Mr. DURHAM. Might I ask you this morning to give for the record the members of each of your departments, and his function in the field, if you don't mind?

Dr. DRYDEN. Yes.

Mr. DURHAM. If you will just put in the record—call each one out and what he does.

Dr. DRYDEN. You want them now?

Mr. DURHAM. Yes.

Dr. DRYDEN. Mr. John F. Victory, executive secretary of the committee; next to him Ralph E. Ulmer, budget officer; Addison M. Rothrock, assistant director for propulsion research; Paul G. Dembling, legal adviser; General Keirn is from the AEC, as I mentioned, he is not a member of the NACA staff; Robert Littell, who is assistant to me; Edward H. Chamberlin, executive officer; Ira H. Abbott, assistant director for aerodynamic research; Richard V. Rhode, assistant director for aircraft loads and structures research; and Edward Mecutchen, from our budget office. The others present are not from our organization.

Mr. DURHAM. Thank you very much, Doctor.

Are there any other questions?

Mr. DOYLE. Mr. Chairman, may I ask this:

Doctor, what was the first year that your agency received Government financial aid?

Dr. DRYDEN. 1915, sir.

Mr. DOYLE. How many hundred million dollars have you received in Government money since 1915?

Dr. DRYDEN. All of it is Government money, sir.

Mr. DOYLE. How much is that?

Dr. DRYDEN. We would have to supply that for the record.

(Appropriations 1915 to 1955, inclusive, \$751,264,349.)

Mr. DOYLE. I wonder what portion of that total sum of Government money has gone into construction?

Dr. DRYDEN. About half, I think. The total plant value is around \$300 million.

Mr. DOYLE. That is near enough, if that is approximate. What portion of the construction since 1915 is now obsolete, if any?

Dr. DRYDEN. It would be difficult to give you that figure. Of course, the costs were very much lower in the early days. Some half a dozen facilities, I would say, have disappeared completely; the original low speed atmospheric wind tunnel, the variable density wind tunnel—less than a million dollars, I would say.

You see, the policy of the Committee has been to keep it modern, if it is at all possible, to keep the facilities up to the need rather than to start over again with a completely new facility.

Mr. DOYLE. What would you say are the factors that have caused obsolescence to occur?

Dr. DRYDEN. The advance in aeronautics, from a few hundred miles an hour to the top speed of the fighters now. I think you will find that the NACA has been pretty well at the forefront in anticipating the research needs of aviation. I have referred to the first three large supersonic wind tunnels built in this country. They were built by the NACA. They were built at a time when the speed of the military airplane was under 500 miles an hour. These wind tunnels were designed to operate at twice the speed of sound, or roughly

1,500 miles per hour. Every one thought that was surely adequate. The tunnels have just kept ahead of what has been done in an airplane, in a research airplane. The same way with engine test facilities. This I think was also developed in the Senate hearings that I have referred to. I think in general the NACA has been pretty well able to pace the advancing art.

Mr. DURHAM. You go from one test tube to another.

Mr. DOYLE. Mr. Chairman, my 2 or 3 questions were not directed to criticize him, but we have 2 or 3 distinguished members of this committee that are new on this committee, and I asked it for their information, and also for the record.

Dr. DRYDEN. The difficulty for any layman to recognize is the tremendous pace of any measure you want to take of aeronautical development—passenger-miles traveled in civil airlines, maximum speed of military aircraft, dollars spent by the military in aeronautical research and development—any criterion that shows—we have begun, of course, to level off a little bit. The NACA has been leveled off by the Congress for about 2 or 3 years.

This is not a matter before your committee. I must say, if we don't get the money to run this \$75 million investment in unitary plan wind tunnels, now coming into operation, that it will have been a great waste, but this is a matter for discussion with the Appropriations Committee.

Mr. MOLLOHAN. Mr. Chairman.

Mr. DURHAM. Yes.

Mr. MOLLOHAN. Doctor, the chart on page 1 here would suggest that the National Advisory Committee for Aeronautics, the Committee itself, is your final administrative authority; is that true?

Dr. DRYDEN. That is right.

Mr. MOLLOHAN. Even though the entire operations of the Committee are financed by Federal funds; the National Advisory Committee for Aeronautics has control of those funds, subject, of course, to congressional action.

Dr. DRYDEN. That is right.

Mr. MOLLOHAN. You have no direct line of administrative authority to the Air Force or to any of the defense establishments?

Dr. DRYDEN. Not in the sense that they directly control our operation. We are very closely intermeshed, starting with General Twining and General Putt on the main committee, military representation on our many advisory technical subcommittees, which are the people who recommend what the most pressing problems are, and what ought to be done, plus daily contact—and this is not exaggerated at all; many contacts daily between military project officers, Department of Defense contractors, and ourselves.

Mr. MOLLOHAN. Who appoints the members?

Dr. DRYDEN. The President appoints the members of the NACA and the NACA appoints annually the members of its subcommittees. This is in accordance with regulations authorized by law and approved by the President.

Mr. LANKFORD. Mr. Chairman.

Mr. DURHAM. Mr. Lankford.

Dr. DRYDEN. Do you have people from the outside here?

Where are you from?

Major WATT. I am from the Department of the Army.

Mr. LANKFORD. Doctor, you mentioned one of the fields in which you were doing research was the hydrodynamic field.

Are your research undertakings done at the request of the Navy, for instance, or do you initiate the projects yourselves?

Dr. DRYDEN. Both.

Mr. LANKFORD. And then if you initiate a project on your own the findings of that research are made available?

Dr. DRYDEN. That is right.

Mr. LANKFORD. Do you send it to the Navy or do they have to ask for it?

Dr. DRYDEN. They are sitting right on our committees, before whom these programs come, so they are familiar right from the very beginning, and then we do send them the report. More frequently, we go over and brief them.

Here again, with the press present, I cannot give you illustrations.

Mr. DURHAM. They give you a problem and it is up to you, of course, to solve it?

Dr. DRYDEN. Some problems are general problems applicable to all development, some are very specific.

Mr. DURHAM. They give you not only one problem but hundreds of them every year?

Dr. DRYDEN. That is right.

Mr. DOYLE. Mr. Chairman, I intended to ask this of Dr. Dryden last year, and I didn't get time to.

I am interested in what the arrangement is between Government and your agency on patent rights and inventions.

Dr. DRYDEN. You mean patents originated in our work?

Mr. DOYLE. Yes.

Dr. DRYDEN. We protect the interest of the Government by taking out patents, through the Navy procedures. In other words, we have not set up our own patent department, but by arrangement with the Navy we process invention disclosures, and applications for patents through this procedure which reserves rights for the Government.

Mr. DOYLE. Are your employees bound by some agreement in that area so that the Government is protected on all inventive discoveries made?

Dr. DRYDEN. Yes, sir.

Mr. DEMBLING. What generally happens is that an employee's idea or patentable invention is submitted to the NACA headquarters, and it is reviewed by the technical staff as to its probable use by the Government. Also, considered is whether it is of limited laboratory use or whether it has general application.

If it is considered patentable, then we will process it, using Navy facilities. Now, if we feel that it is something that we cannot use ourselves, we submit it first to the Navy for its opinion. If the Navy turns it down we submit it to the Government Patents Board to see whether some other agency of the Government might be interested, so that the Government's interests will be protected by reserving license rights.

Mr. DURHAM. Mr. Bennett.

Mr. BENNETT. I would like to ask to what extent the work of this Advisory Committee is competitive or overlapping with, first, the other two major branches of the services, which are interested—the Navy and the Air Force—and, secondly, with regard to private industry itself.

Dr. DRYDEN. First, with regard to the military services, I have indicated that we are the principal agency—well, to answer your question directly, and without a long preamble, to the best of my knowledge, there is no duplication in any major program. If you talk about a single contract here and there that we haven't caught up with, I have no doubt that you might stumble occasionally on some case where we have not gotten together, but not as far as any major program is concerned. The NACA, of course, is not in the electronics field or the armament field or the medical field. The military does all of the research in those areas. The areas where there is a possibility of overlapping, are aerodynamics, aircraft construction, and aircraft propulsion, and we have, I think, a very good system for coordinating the work so that we do not get into duplication.

I could show you letters where we have stopped something because it was already taken care of, where the Air Force had stopped something because it looked as if this program would duplicate something we were doing, so that as far as any major area is concerned, I would say there is no overlapping or duplication.

Mr. BENNETT. How about private industry?

Dr. DRYDEN. Private industry is engaged primarily in the development of specific airplanes, although they do carry on certain studies of aircraft designs under contract. The NACA does not design or construct any airplanes or engines. We don't try to tell the military what kind of airplanes they should buy. They determine what they need. We try to tell them how to get the maximum possible performance for their aircraft. Industry comes to us with their general problems. Our relation is such they also tell us their specific problems. The idea of this picture on the chart here is to show that the engineers from industry come around with their troubles and problems on a specific design, and ask us "What have you got going on, that will throw light on this?"

I think the way to answer it is that the NACA provides basic aeronautical research data, which are not tied directly to specific designs, for the whole industry to use.

In addition, about 10 or 15 percent of our work is directed toward helping the military and the manufacturer to get the best possible design. From our point of view, while there is a competition on, all information we have is available to everybody. As soon as the military services say "This company is going to develop this airplane for us," we work closely with that company to make that airplane the best possible performing airplane. We have many letters of appreciation from industry and our relations have never been better.

Mr. BENNETT. There is a last question which I would like to ask, and that is as a result of a constituent writing to me who is a patent attorney, and this constituent has written me that in his opinion it might be possible that it would be more practicable and more economical to have the Government offer large sums of money in the way of contracts or by way of bonuses to industry for the development of particular needs which the departments may desire.

Could you make any comment on that?

Dr. DRYDEN. I don't know whether I recognize your constituent or not, because I have had many discussions with people along similar lines. Unfortunately, you come down to the matter of judgment of the people who are running the technical programs, of the military

particularly. What kind of a gamble, how much of a gamble can you afford to take on something which has not been developed fully in an engineering background?

I personally think the inventor is still a very important element in our progress. On the other hand, the day of the lone inventor who is not backed up by engineering knowledge, is pretty well gone. The inventor has to be tied in with people who can study the engineering implications. Otherwise, there would be a tremendous waste.

I appreciate the problem. I think that perhaps some stimulus to inventors can be devised, but the development of a supersonic airplane, for example, is such a complex matter, requiring so many skills and a large organization, it is difficult for me to see how the Government can start a one-man organization and build it up to what would be necessary to develop a successful airplane.

Mr. BENNETT. Do you feel that certain types of basic research might be overlooked if you left free enterprise in competition?

Dr. DRYDEN. I was thinking more of the straight forward and hard engineering work. You design a structure for this airplane, you have to develop its strength under all possible conditions you can think about. It takes a lot of computation, a lot of structural engineers, highly competent people. I had a man work for me who built an airplane in his backyard. I think those days are pretty well gone. You could do that when you had a wood and wire airplane.

Mr. BENNETT. This particular man was talking about competition with large industry involving hundreds of millions of dollars, and not with regard to single inventors.

Dr. DRYDEN. Not being in the development picture directly, I don't know that I would want to assume the responsibility for any answer which represented other than my own opinion. There have been developments by small groups. Unless that small group has been able to build up the organization, to follow through on it, somehow our American system seems to be such that it gets lost. If you try to pick up an invention from a small company and transfer it, you lose it. You must build the small company to——

Mr. BENNETT. I don't think my constituent is referring to a small company. I think he was referring to the largest of companies.

Dr. DRYDEN. You mean competition?

Mr. BENNETT. He felt if you offered several hundred million dollars for the development of a particular type of plane to Boeing and Curtis, and so forth, that they would by competition be able to do the research more completely and efficiently than the Federal Government could do.

Dr. DRYDEN. The man who develops the specific airplane or missile, whether he is in the military or industry, has what we research people call "the short term view." He is interested in the things that he can get done in 1 year, or 2 years. Our job, as I see it, is to lay the groundwork for the period beyond, and this is not a thing easy to do, if you are surrounded by the pressures of getting airplanes tomorrow or the next 6 months.

I think you have seen this in 1947. We first flew at the speed of sound in a special research airplane, and the NACA had quite a lot to do with that method of attack. Now, 5 years later we have a tactical airplane, which is flying supersonically. It has taken about 5 years to capitalize on that work.

The project officers who are in the military department have long since been transferred to other duties. The industry is interested in its production lines. They cannot afford to take the very long view that the research man has to take.

We do find industry coming to us with these basic research problems and urging us to put more manpower on this, and more on that, and our problem is to pick out the things which we can do within the resources we have.

Mr. DOYLE. May I pursue my line of questioning very briefly on the question of patents?

Mr. DURHAM. Yes.

Mr. DOYLE. I see we have available time.

I didn't understand legal counsel when you answered my question about the agreement. Is that in the written agreement with your employees?

Mr. DEMBLING. Yes, sir. The rights and licenses reserved to the Government are incorporated in the initial submissions and signed by the employees.

Mr. DOYLE. How long a term after their employment is terminated with the agency are they bound by that agreement? At all?

Mr. DEMBLING. If it is something already submitted they are contractually bound. If it is anything that they worked on while they were in the employ of the NACA, then the Government has first call on the patentable idea and the rights and/or license to that invention.

Mr. DOYLE. For what period of time? For how many years? How many years is the employee bound by that?

Dr. DRYDEN. I think it has no limit. He says, "If he worked on it while in our employ."

Mr. DOYLE. Have you had any employee or employees directly or indirectly who have taken advantage of the agency and have made their own individual patent applications, based upon inventive information they obtained while working for the agency?

Mr. DEMBLING. Not to our knowledge; no, sir.

Mr. DOYLE. You turn the patentable features over to the United States Government without cost, as I understand it. Now, how, then, does industry get the benefit of those inventive ideas? For instance, how does an airplane company get the use of that patent?

Dr. DRYDEN. Mr. Doyle, this may sound like a diversion, but I don't know of any industry in which there is less trouble from patents than the aircraft industry. This is because many, many years ago they entered into a pooling arrangement, cross-licensing agreement, so that there is very little of this type of thing in the aircraft industry.

Mr. DOYLE. Cross-licensing without royalty?

Dr. DRYDEN. No; I think it acts like a bank clearinghouse. They have some kind of a system in which they balance their accounts at the end of the year.

Mr. DOYLE. I didn't make my question clear, then.

You develop a patentable idea in your agency, and it goes to the benefit of the Government.

Dr. DRYDEN. Yes.

Mr. DOYLE. Then how does the airplane industry get the use of that patent? Does the Government turn it over?

Dr. DRYDEN. I will let Mr. Victory answer.

Mr. VICTORY. As we produce new information it goes immediately to industry. They are free to use it. There is no question of the patent rights on it. They do use it. Now, if they produce a new idea themselves within the ranks of industry, they may patent it. They will file their patent with the Manufacturers Aircraft Association, which is the holding organization under the cross-licensing agreement executed in 1917. That agreement brought enduring peace to the aircraft industry.

Mr. DOYLE. Then you touched the very point I wanted to get at. In other words, through tax money a patentable idea is developed; industry gets the free use of it.

Dr. DRYDEN. They cannot charge the Government any royalty on it, however.

Mr. DOYLE. No; but industry gets that idea. They can develop that idea and take out their own patents on it; is that correct?

Mr. VICTORY. If they had originality themselves, and were entitled to the patent. The Patent Office is the final arbiter there, and then the courts.

Dr. DRYDEN. We take out the patent which reserves the right to the Government so the company cannot charge royalties to the United States on this invention. If they file a conflicting invention, it goes into this patent procedure of conflict, and it is resolved.

Mr. DOYLE. In other words, you make sure that the basic patent claims are comprehensive enough so that industry or no interloper, if there be such, can take away the benefit to the taxpayers of the money invested?

Mr. VICTORY. There have been a few cases in the history since 1917 where individuals have undertaken to get patents and have started actions, but they have never recovered anything like money. The maximum case that I have heard of where a patent that belonged to the Government was attempted to be appropriated for private use, and the Government held up for royalties was dismissed for its nuisance value at \$5,000. This Cross-License Agreement has been operated amazingly clean and efficiently, in a very satisfactory manner.

Mr. DOYLE. Thank you.

Mr. MOLLOHAN. Mr. Chairman, I have a question.

Do you have any estimate of the amount of royalties that have been paid to the Government by reason of patents which you hold and have developed?

Dr. DRYDEN. We would not pay any royalty to the Government.

Mr. MOLLOHAN. Does the Government in turn pay any royalties for the use of any patents that may be developed or held by private aircraft industry?

Mr. VICTORY. We may, and I do believe pay some royalties on privately owned patents where the Government was not the originator and did not finance the work.

Dr. DRYDEN. It would come up as a cost allowance in their contracts. I don't quite know how to get that information right away.

Mr. VICTORY. That is not a matter under our cognizance. As for our personnel, I haven't yet heard of any of our personnel who have made any money from patents throughout the entire history of the organization. I know of one young man who brought out a new method of doing something, and nobody in industry took it up. So he resigned from our organization and organized a little company

to make this tool. He went around and sold it to industry. That is a legitimate private enterprise.

Mr. DOYLE. Not if he developed it while he was working for the agency. Your agency wouldn't permit that kind of thing, would it?

Mr. VICTORY. NACA doesn't buy the product. The Government doesn't buy the product. Industry buys the product.

Mr. DOYLE. Was this young man's idea developed in an agency?

Mr. VICTORY. He tried to give it to the agency to develop but that was not our official business.

Dr. DRYDEN. The patent policy under which the military operates reserves rights to private inventors.

Mr. LANFORD. Doesn't it give the Government first crack at it, and if the Government doesn't want it, it is released to the private inventor?

Dr. DRYDEN. That is right.

Mr. VICTORY. If we were to buy some of those tools for our use we would not pay a royalty.

Mr. DOYLE. In my experience in patent work, and it hasn't been inconsiderable, I have known of cases where patents have been deliberately kept in the possession of groups of individuals so they couldn't be used. I am wondering if there is any such program as that ever develops?

Mr. VICTORY. We turn all our information into the hands of the military and the industry, and it is all free, and generally it is used immediately, and we have very little interest in patents.

Mr. DOYLE. I want the record to speak clearly whatever the situation is.

Dr. DRYDEN. I am sure you are familiar, Mr. Doyle, with the rather extensive controversy that goes on in the Federal Government as to the patent policy that employees should follow. We have patterned our practice after the military. There are others who have other practices, and it has never been completely resolved.

Mr. VICTORY. Our employees, like all Federal employees, have such rights and such rights only as are recognized in law by the Supreme Court's decisions.

Mr. DOYLE. You cannot go beyond that.

Mr. PRICE. Mr. Chairman, I would like to comment on the letter of transmittal, with the NACA's 40th Annual Report, from Dr. Hunsaker in which he refers to the rate of progress of scientific knowledge. He has a very interesting paragraph in this letter, the second last paragraph, in which he says:

In these critical days we should be stockpiling research results and engineering data, just as we are stockpiling strategic materials and weapons. During the past 3 years—

and this is in the interesting part of his letter—

however, there has been a leveling off of appropriations for scientific research in aeronautics. This leveling off has forced the NACA to make reluctant decisions to slow down, or to defer indefinitely, many important research opportunities.

In the light of that very interesting paragraph, I am wondering whether in this legislation for authorization which you are seeking here now whether you are recommending a minimum program to the Congress under direction of the Bureau of the Budget?

Dr. DRYDEN. This year, Mr. Price, Dr. Hunsaker personally discussed our budget with the President. The Bureau of the Budget has

allowed our 1956 request substantially in the full amount requested. It is a considerable increase over the 1955 amount.

Mr. PRICE. This is the full request of the NACA?

Dr. DRYDEN. That is right, substantially the full request.

Mr. PRICE. That will enable you to take up any of the slack you lost during the last 3 years?

Dr. DRYDEN. Our main problem is with the operating budget. This, of course, is under the jurisdiction of the Appropriations Committee.

Mr. PRICE. If you are able to get what you ask for this year you will be enabled, then, to take up any of the slack you lost during the last 3 years?

Dr. DRYDEN. We will. We have requested \$63½ million as compared to \$52 million this year.

Mr. PRICE. Have there been any major things during those past 3 years that you wanted to work on you haven't been able to work on?

Dr. DRYDEN. This perhaps would be a long story. We have not done as much as we would have liked to do, for example, in the general field of automatic stability and control of aircraft. What we do is pick off the things which seem most urgent, but we feel that is an area where we have not been able to keep pace with the advancing art.

Another area has been that of structures. There has been complaint from our structures committee for several years that we are not meeting fully all of the problems which arise in that field, and there, again, they make priority lists for us. We take the problems off the top.

Mr. PRICE. Have you been able to do everything you wanted to do in a field that would tie in with nuclear propulsion?

Dr. DRYDEN. Yes, except for lack of the facility that we are now requesting. Our part in that is, again, the heat transfer, the materials side. It is the supporting part. The primary developments are carried on by AEC and the military services. We have spent something between three-quarters of a million and \$1 million a year in that area, something of that sort.

Mr. PRICE. Are you working in the field of temperatures, and so forth?

Dr. DRYDEN. High temperature materials, yes.

Mr. PRICE. Have you been held back in research on that because of lack of funds?

Dr. DRYDEN. The difficulty with my answering this is, if you focus on one place, somebody says "Why didn't you concentrate in that area." You can push it one place and it pushes out some place else. It is a question of looking at the field as a whole and trying to allocate and apportion the effort as best you can, with the resources that you have. I can think of many fields where we would be doing more if our budget was larger.

(There was a discussion off the record.)

Mr. PRICE. Do you notice a shortage of engineers?

Dr. DRYDEN. We are very familiar with this problem. I think all of you know that the entrance salary in the Government is about \$1,000 to \$1,200 a year lower than the entrance salary in private industry. This has given us a great deal of trouble, but very fortunately the Civil Service Commission is going to use authority, voted by Congress, to permit hiring above the entrance salary. We have been assured of action this week, as our recruiters go out, so we will be more competitive with industry.

We are able to hold people against competition of several hundred dollars a year more because of the importance of the work, their interest of the work, the nature of it, but a thousand to twelve hundred dollars is just too much for a young man out of school to put up with. We try to tell him it is like an intern in a hospital, he gets a lower salary, and he is a better doctor when he gets out. This prospective action of the Civil Service Commission we think will relieve this particular situation.

Mr. PRICE. Has the NACA in these recommendations been able to pick up any of the projects that it has been forced to defer?

Dr. DRYDEN. We have been at a fixed budget level for about 3 years. We have changed emphasis somewhat. If we get the higher level we certainly will be able to make it.

Mr. PRICE. Dr. Hunsaker said you have been forced to defer many of these projects indefinitely, and he describes them as important research opportunities.

Dr. DRYDEN. Yes.

Mr. PRICE. Even this will not permit you to pick those up; is that correct, this program?

Dr. DRYDEN. Our 1956 budget will go a long way toward picking them up. This is a matter for the Appropriations Committee. We discuss that with them this Thursday.

Mr. PRICE. This is the main part of it, the operating budget?

Dr. DRYDEN. The operating budget is the acute situation.

Mr. DURHAM. Doctor, thank you very much. If we leave out the nuclear powered project it will be all right with you providing we authorize it for you?

Dr. DRYDEN. Do you wish us to seek a hearing before the other committee?

Mr. DURHAM. We will advise you. If the committee will stay a few minutes I would like to have an executive session.

Doctor, I believe the industry also backed this unitary plan 100 percent in the beginning?

Dr. DRYDEN. Yes.

Mr. DURHAM. When do you have to go before the Appropriations Committee?

Dr. DRYDEN. Thursday morning.

Mr. DURHAM. It is necessary that he have this authorization before he goes before the subcommittee or it will be subject to a point of order. We will go into executive session. Sometime this committee would like to visit some of your facilities. The new members would like to do it. It is a very interesting thing.

Also, I would like to say I would want the committee sometime to review the nuclear-powered engine development as it is at Cincinnati. Thank you very much.

We are taking up next H. R. 2123. This bill was passed last year in the 83d Congress, and I do not think it is necessary to go into any lengthy hearing here.

You have a statement, do you not, Mr. Nestel?

Mr. NESTEL. I do, Mr. Chairman.

Mr. DURHAM. If you will just file your statement, and if counsel will explain the action on this bill, I think we can act on it in a hurry here, and not have to take up much time. Please take up H. R. 2123. (The bill is as follows:)

[H. R. 2123, 84th Cong., 1st sess.]

A BILL To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold", is hereby repealed.

SEC. 2. This Act shall take effect on June 30, 1955.

STATEMENT OF ARNOLD NESTEL, OFFICE OF THE CHIEF OF CIVIL AFFAIRS AND MILITARY GOVERNMENT, DEPARTMENT OF THE ARMY

Mr. NESTEL. Mr. Chairman and members of the committee, my name is Arnold Nestel. I am an international economist, Economics Division, Office of the Chief of Civil Affairs and Military Government, Office, Chief of Staff, Department of the Army.

Public Law 820, 80th Congress, provided for a revolving fund for the purpose of (a) purchasing natural fibers (including cotton waste) produced in the United States, and such other materials, including starch, dyestuff, roller leather, and card clothing as may be used in processing and finishing such fibers; (b) transporting such fibers and other materials to occupied areas, making them available for processing, and having such fibers processed in such area; (c) insuring such fibers and materials and the products obtained from such processing; and (d) selling products obtained from such processing.

The basic objective of this law was to assist in the industrial rehabilitation and economic recovery of occupied areas. It was felt that until these countries could be restored to a basis of self-support, the American taxpayers would have to continue to foot a large bill for feeding and clothing the people of these areas. Proceeds from the sale of products of commodities purchased with money from the fund were utilized to repay, with interest, outlays from the fund.

Although other areas were in a position to benefit from the provisions of this act, Japan was the only area to take advantage of this opportunity. The Secretary of the Army was authorized to issue notes for purchase by the Secretary of the Treasury in an aggregate amount not to exceed \$150 million to cover payments of costs specified in the act. Under this authority, a note for \$100 million was issued to finance shipments of raw cotton to Japan and the total expenditures made for this purpose during 1948-49 amounted to \$57,554,227. Complete repayment of the borrowings was effected on June 13, 1950. Since that date no further purchases have been made with moneys from that fund.

The \$100 million note was kept open in the event of any critical need for the further financing for United States raw cotton shipments to Japan during the balance of the occupation. Such a need did not arise in light of favorable trade developments and the acquisition of substantial foreign exchange balances by Japan.

On May 22, 1952, the Department of the Treasury notified the Department of the Army that the \$100 million note would expire as of June 1, 1952, and that in view of the termination of the occupation arrangements should be made for the cancellation of this note. Accordingly, the Secretary of the Army requested the Secretary of

the Treasury, on June 2, 1952, to transfer the \$100 million note in full repayment to the general fund of the Treasury.

Repeal of Public Law 820 is desired because with ratification and confirmation of the treaty of peace with Japan, and with no anticipated requirement for outlays of money from this fund by the remaining occupied areas, no further need seems to exist for the fund; and repeal, if enacted, would remove from the statute books a law no longer required.

Further, although the authority granted in Public Law 820 is not utilized, the retention of the act on the statute books imposes a requirement on the Secretary of the Army annually to make a complete report to Congress with respect to the status of the fund. Preparation of this report by the Department of the Army and review by the Bureau of the Budget and the Congress cause unnecessary utilization of personnel and material.

For the foregoing reasons, the Department of the Army, acting for the Department of Defense, urges you to consider favorably the proposed legislation which will result in a saving of United States funds to the taxpayer, relieve the Government of unnecessary administrative action, and rescission of a law no longer needed.

Mr. KELLEHER. Public Law 820 of the 80th Congress provided for a revolving fund for the purpose of purchasing natural fibers in the United States and sending them to occupied areas where they would be processed into various fabrics. In the case we are involved in here cotton was the fabric that was made. Japan was the only occupied country that participated in the program, and at the present time some \$57 million—\$57½ million—was spent. All of that money has been returned to the Treasury, but there is a requirement today that since the law still exists which created this fund the Department must make a report each year to the Congress. That involves a certain amount of expenditure in the field of accounting, and the processing of reports, and so forth. The program is now done and the money has been returned to the Treasury.

The Government neither made nor lost any money in the process. It is merely a mechanical detail now to repeal the law so the reporting procedure won't be necessary in the future.

Mr. HESS. I move the bill be reported favorably.

Mr. DOYLE. I second the motion.

Mr. DURHAM. H. R. 2321 has been moved favorably reported to the full committee. Without objection, the bill is reported to the full committee.

Thank you very much.

(Whereupon, at 11:50 a. m., the subcommittee adjourned.)



[No. 5]

FULL COMMITTEE HEARING ON MISCELLANEOUS REAL ESTATE
PROJECTS, H. R. 2123 AND H. R. 2581

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., Tuesday, February 15, 1955.

The committee met at 10 a. m., the Honorable Carl Vinson, chairman, presiding.

The CHAIRMAN. Let the committee come to order.

A quorum is present.

The first business before the committee this morning is consideration of the report received in response to a resolution introduced by the gentleman from Michigan, Mr. Hoffman, House Resolution 136. Under the rules these resolutions must be reported back to the House within 7 days from the date of their introduction.

Have you a report from the Department, Mr. Smart?

Mr. SMART. I have, Mr. Chairman.

The CHAIRMAN. Read what the report says.

Mr. SMART. The report is responsive, by paragraph, to the resolution, a copy of which is before each of you, House Resolution 136. Paragraph No. 1 requests:

Approximately how many military installations employing five or more individuals who receive compensation or maintenance from Federal funds are now maintained by the Department of Defense outside the continental limits of the United States of America?

The answer is 950 military installations.

Paragraph 1 (b):

(1) Approximately how many individuals are employed in such installations and (2) at approximately what cost?

The answer is approximately 167,000 civilian employees outside the United States, plus approximately 218,000 civilians who are employees of foreign governments engaged under contract with the United States. The 218,000 does not include 124,000 Germans paid from deutschemarks.

Paragraph 2 (a):

Approximately how many individuals eligible to be assigned to combat service and who are compensated from Federal funds are in the service outside of the continental limits of the United States of America?

Approximately 1,370,000 military personnel. This figure excludes female military personnel.

Paragraph 2 (b):

Approximately how many individuals eligible to be assigned to combat service and who are compensated from Federal funds are in the service within the continental limits of the United States of America?

Approximately 1,602,000 military personnel. This figure excludes trainees with less than 4 months' service, seriously hospitalized personnel, female military personnel, and conscientious objectors.

Paragraph 3:

What is the approximate cost of the civilian employees who are supporting those named under section 2 (a) and (b)?

Answer: Approximately \$4,530,276,000 per annum. This figure excludes costs for an average of approximately 25,000 employees of the Corps of Engineers, and excludes costs in relation to the 124,000 Germans referred to in paragraph 1 (b) (1), above, and who are paid from German deuteschemarks.

Paragraph 4:

What is the approximate (a) volume in long tons and (b) value in dollars of the supplies, both military and nonmilitary, needed per year to maintain those named in section 1 (a) and (b) and in section 2 (a) and (b)?

The answer to 4 (a) is approximately 4,100,000 long tons, and the answer to question 4 (b) is approximately \$3,300,000,000.

▶ The CHAIRMAN. Members of the committee, in view of the fact that the afore-called information is submitted and it is the parliamentary procedure now that the committee, in view of that fact, recommend the resolution. So that recommendation is submitted to the House, and let it lie on the table.

Mr. NELSON. May I ask a question on (b) (1) or (b) (2)?

Mr. SMART. 2 (b)?

Mr. NELSON. Yes.

Mr. SMART. The answer was approximately 1,602,000 military personnel.

Mr. NELSON. That is at approximately what cost—2 under (b)?

Mr. KELLEHER. 1 (b) (2).

Mr. SMART. 1 (b) (2), approximately \$601,699,000 per annum.

The CHAIRMAN. Now, that disposes of that. This is the information sought and it will be submitted to the House.

Now, the next matter before the committee this morning is a report from Mr. Rivers' Subcommittee on Acquisitions and Disposals of various pieces of property.

Mr. COLE. Only for the record, from a parliamentary standpoint, is the motion to lay the resolution on the table necessary?

Mr. SMART. The parliamentary procedure is that, the information requested having been furnished, the committee reports the resolution adversely.

The CHAIRMAN. Without objection, we will make that motion and submit it to the House, adversely.

All right, Mr. Rivers.

Mr. RIVERS. Mr. Chairman, your Subcommittee on Acquisitions and Disposals met on February 4 to consider Army real estate and construction projects, and on February 9 held a long hearing on Air Force real estate and construction projects.

In all, the subcommittee considered 28 real estate projects and 6 construction projects. Of these, one real estate project was passed over for further information, and another was approved but with instruction to modify the type of interest to be acquired. Of the construction projects, all were approved; but in the case of the Army's two projects the subcommittee's approval was conditioned on the obtaining of an advance decision by the Comptroller General as to the propriety of expending funds under the authorization cited.

In view of the great number of projects dealt with, and in the interest of brevity, I would like permission to deal with them gen-

erally, although I shall, of course, be glad to answer any questions which the committee may have.

Eight of the Army real estate projects were for Nike installations throughout the country. The other 4 were for Army real estate projects involving a transfer of land from the Air Force to the Army, the acquisition of a cave for machine tool storage, and 2 projects for ammunition facilities. The 2 Army construction projects involve the construction of storage facilities at 2 locations.

The Air Force acquisitions were more varied, but dealt generally with runway extensions and ordnance storage. Three of them were transfers from the Army to the Air Force.

The four Air Force construction projects were for classified overseas construction.

Mr. Chairman, I move favorable consideration of the foregoing recommendations, and ask permission to place in the record at this time the details of the projects which can be disclosed.

(The details follow:)

REAL ESTATE PROJECTS CONSIDERED BY SPECIAL SUBCOMMITTEE, FEBRUARY 4 AND 9

ARMY

Real estate acquisitions

- No. 106. Fort Bragg, N. C., acquisition of area for ammunition storage.
- No. 95. Part of Arctic Indoctrination School and Arctic Test Branch of Army Field Forces, Big Delta, Alaska; transfer from Air Force to Army.
- No. 101. Atchison Cave, Atchison, Kans.; for storage for production equipment.
- No. 105. Nike I, Milwaukee defense area, Wisconsin.
- No. 110. Nike I, Bridgeport defense area, Connecticut.
- No. 111. Nike I, Providence defense area, Rhode Island.
- No. 112. Fiscal year 1955 augmentation of Nike I, Los Angeles defense area, California.
- No. 118. Fiscal year 1955 augmentation of Nike I, Niagara Falls-Buffalo defense area, New York.
- No. 119. Fiscal year 1955 augmentation of Nike I, Washington, D. C., and Baltimore, Md., defense area.
- No. 120. Nike I, at a classified installation.
- No. 123. Fiscal year 1955 augmentation of Nike I, Detroit defense area, Michigan.
- No. 121. Point-Aux-Pins Ammunition Loading Terminal, Mobile County, Ala.

Construction (contingently approved)

- Igloo space at Anniston, Ala., for ammunition storage.
- Open storage facilities at Rocky Mountain Arsenal, Colo.

AIR FORCE

Real estate acquisitions

- No. 222. Sacramento Peak Upper Air Research Observatory, N. Mex. (Laurence G. Hanscom Auxiliary No. 2); mineral interests in approximately 19,262 acres.
- No. 233. Bergstrom Air Force Base, Austin, Tex.; acquisition of 500 acres in fee and easements for ordnance storage facilities and safety area. (See committee notes.)
- No. 246. M-Site No. 115, Carolina Beach, N. C.; fee and easement in 22.3 acres for a radar installation.
- No. 248. Carswell Air Force Base, Tex.; fee and easements in 630 acres for ordnance storage area.
- No. 252. Air Force Plant No. 42, Palmdale, Calif.; fee and easement for 944.01 acres for emergency landing area.
- No. 253. Foster Air Force Base, Tex.; fee for 76 acres for runway extension and clear zone.

- No. 254. Foster Air Force Base, Tex.; fee and easements for 439 acres for ammunition storage, restrictive easements, and clear zone.
- No. 255. Fort Miley, east section; transfer from the Army to the Air Force of 12 acres. (This is an expedited production project.)
- No. 256. George Air Force Base, Calif.; fee for 50 acres for runway extension and flight clearances.
- No. 258. Fort Dearborn, Rye, N. H.; transfer of 45 acres from the Army to the Air Force.
- No. 259. Hancock Field, Syracuse, N. Y.; transfer of 10 acres from the Army to the Air Force.
- No. 260. Minot Air Force Base, N. Dak.; fee and easement on 2,500 acres for new ADC base.
- No. 261. Mather Air Force Base, Calif.; fee for 153 acres for base expansion.
- No. 262. Air Force ROTC Headquarters, Montgomery, Ala.; for renewal of GSA lease.
- No. 264. Norton Air Force Base, Calif.; fee for 117 acres for flight clearances.

Construction

Four classified overseas construction projects, Nos. 11-D, 12-B, 15-G, and 16-D.

The CHAIRMAN. I want to say, members of the committee, that I personally went over every one of these projects and find myself in complete accord with the decision reached by the committee.

Mr. BATES. I move its adoption.

The CHAIRMAN. Without objection, this bill is approved.

Mr. PRICE. Mr. Chairman, none of the Nike projects are among those that were held up?

The CHAIRMAN. No. All those Nikes go through. There is not much you can do about it. You may have to pay a high price. You probably pay a high price, but nevertheless, you have to do it.

I am going to ask Mr. Durham to call up H. R. 2123, a bill which repeals an act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold. Mr. Durham's subcommittee had that the other day.

Mr. Durham?

Mr. DURHAM. The full subcommittee reported this out unanimously. As you may recall, the House passed this bill at the last session of the Congress. It was not taken up by the Senate.

Subcommittee No. 3 met on February 8 to consider two bills: H. R. 2123, which would repeal the Natural Fibers Act, and H. R. 2581, which is the 1956 construction program for the National Advisory Committee for Aeronautics.

H. R. 2123 has for its purpose the repeal of a law which related to aid granted to occupied countries. This law has served the purpose and should be repealed since it requires bookkeeping and accounting procedures, and reports which no longer have any pertinence. The bill was reported out of this committee last year and passed the House; however, it was not considered by the Senate and similar action on it is therefore necessary again this year.

The CHAIRMAN. Under the law, we have stopped doing this, what is referred to in this act, and so we are trying to repeal it off the statute books.

Without objection, H. R. 2123 is approved. Mr. Durham will report the bill.

Now, members of the committee, all of you that are on Mr. Brooks' subcommittee—

Mr. DURHAM. Mr. Chairman, we have one more bill that we have a favorable report on.

The CHAIRMAN. All right.

Mr. DURHAM. Subcommittee No. 3 reports favorably on H. R. 2581, unanimous, with the exception of one item in the bill. I will read for the committee's information the statement.

H. R. 2581 would authorize construction at the Langley, Ames, and Lewis Laboratories, and at Wallops Island Station. For the most part, the construction items involved are for the increments of existing NACA facilities. The only facility of a substantial nature in the bill is the component research facility for nuclear propulsion at the Lewis Laboratory, in Cleveland, Ohio. Indeed, this is the largest single item in the bill. The total authorization requested for the Lewis Laboratory is \$8,760,000, including the nuclear project facility representing \$4,850,000.

It was my view, which was concurred in by the subcommittee, that this facility would more properly be considered by the Joint Committee on Atomic Energy, rather than the Armed Services Committee. The basis for my belief that this is so is the fact that the Joint Committee will consider during the coming year the construction of reactors in various locations throughout the country, and it is not improbable that this reactor could fit into that program. I want the committee to understand that there is no doubt this reactor is a proper tool for NACA research. Indeed, I feel that they should have had it before this time. The only question that arose in my mind is what program should the legislation be in, the Joint Committee or this committee. With this in mind, the subcommittee amended the bill to delete the nuclear project facility, and I introduced a separate bill, H. R. 3761, authorizing the construction of a reactor for NACA. It was my hope at the time I introduced that bill that it would be referred to the Joint Committee; however, in view of the question as to which committee has jurisdiction over NACA, the bill was referred to the Armed Services Committee.

In view of that fact, we felt like we should look at that before this item was authorized. It was reintroduced by me, and is still before the committee for action. We don't disapprove it, understand, but we just simply took it out for the time being.

The CHAIRMAN. Then from your statement, we would strike out from lines 7 to 12 on page 2, is that correct?

Mr. DURHAM. Not all that, no.

Mr. KELLEHER. I will read the amendment, if you like.

On page 2, line 8, strike the following words: "Component research facility for nuclear propulsion"; change the "i" in the word "improvements" to a capital "I".

On line 11, strike the words: "and acquisition of not to exceed five hundred acres of land," and in line 12 change the money from "\$8,760,000" to "\$3,190,000."

In line 20 change "\$13,300,000" to "\$8,450,000" and make the same change in line 22.

Mr. CUNNINGHAM. I move the adoption of the amendment.

The CHAIRMAN. Mr. Durham has a bill pending before the committee to take care of the item deleted from this bill, and they want to have a study made on the reactor program by the Atomic Energy Committee. This committee still retains complete jurisdiction of this subject matter, so I don't see any objection to reporting the bill without this reactor item in it. But I might say why wouldn't it be

the proper thing to do to withhold reporting the whole bill until you finish your hearing?

Mr. DURHAM. The NACA has to go before the Appropriations Committee. They have no authorization for this item, and they expect to go, within the next few days before the Appropriations Committee for the money.

The other item will probably take 2 years to build, or something like that.

The CHAIRMAN. Without objection, the amendment is agreed to; without objection, the bill is reported as amended. Mr. Durham, please report the bill.

That winds up all of the business of the full committee. We will take a recess subject to the call of the Chair.

Mr. Brooks subcommittee is going to meet here right now and I ask the other members who are not on this subcommittee, in view of the fact that you are here, to sit in and get a briefing on the important Reserve bill.

Mr. BROOKS. Mr. Chairman, may I join with that suggestion, too, because we have a very important meeting this morning. The Assistant Secretary of Defense will be here to go over the whole program. We appreciate anybody who will stay.

(Whereupon, at 10:27 a. m., the committee adjourned, subject to the call of the Chair.)



H. R. 2123

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 1955

Mr. DURHAM introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold".

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law 820, Eightieth Congress (62 Stat. 1098),
4 entitled "An Act to provide a revolving fund for the pur-
5 chase of agricultural commodities and raw materials to be
6 processed in occupied areas and sold", is hereby repealed.

7 SEC. 2. This Act shall take effect on June 30, 1955.

84TH CONGRESS
1ST SESSION

H. R. 2123

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold".

By Mr. DUNHAM

JANUARY 13, 1955

Referred to the Committee on Armed Services

S. 942

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1955

MR. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098),
entitled "An Act to provide a revolving fund for the purchase
of agricultural commodities and raw materials to be processed
in occupied areas and sold."

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law 820, Eightieth Congress (62 Stat. 1098),
4 entitled "An Act to provide a revolving fund for the purchase
5 of agricultural commodities and raw materials to be processed
6 in occupied areas and sold", is hereby repealed.

7 SEC. 2. This Act shall take effect on June 30, 1955.

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

By Mr. ELLENDER

FEBRUARY 4, 1955

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 8, 1955
For actions of February 7, 1955
84th-1st, No. 21

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HIGHLIGHTS: House Rules Committee cleared selective service bill. House subcommittee voted to report bill to repeal revolving fund for surplus commodities in occupied areas.

HOUSE

1. **SURPLUS COMMODITIES.** A subcommittee of the Armed Services Committee approved for reporting to the full committee H. R. 2123, to repeal Public Law 820, 80th Congress, to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (p. D74).
2. **SELECTIVE SERVICE.** The House Rules Committee reported a rule providing for consideration of H. R. 3005, to extend selective service for 4 years until July 1, 1959, etc. (p. 1037).
3. **PERSONNEL.** Received from the Budget Bureau a proposed bill to "amend section 402 of the Federal Employees Uniform Allowance Act"; to Post Office and Civil Service Committee (p. 1043).
4. **SUGAR.** Received a Utah Legislature memorial urging legislation to enable the domestic sugar industry to have a fair and equitable share of sugar consumption in the U. S. (p. 1045).

5. FOREIGN AFFAIRS. The Foreign Affairs Committee submitted a report of the Special Study Mission to Cuba (H. Rept. 22)(p. 1043).
6. ELECTRIFICATION; TARIFFS. Rep. McCarthy stated that the President's recent overruling of an unanimous recommendation of CAB should "serve to call to mind that similar action has been taken with regard to many other recommendations made to the President," including recommendations on the Dixon-Yates contract and Tariff Commission recommendations (p. 1038).

SENATE

7. VETERANS' BENEFITS; EDUCATION. The Labor and Public Welfare Committee voted to report without amendment H. R. 587, to provide that persons in the Armed Forces on Jan. 31, 1955, may continue to accrue educational benefits to Jan. 31, 1965 (p. D74).

BILLS INTRODUCED

8. SOCIAL SECURITY. H. R. 3654, by Rep. Berry, to provide that coverage under the Federal old-age and survivors insurance system for self-employed farmers and ranchers shall be on a voluntary basis; to Ways and Means Committee (p. 1043).
H. R. 3677, by Rep. King, Pa., to provide that the first \$250 received by an agricultural worker from an employer in a calendar year shall be excluded in determining such worker's coverage under the Federal old-age and survivors insurance system; to Ways and Means Committee (p. 1043).
9. POSTAL SERVICE. H. R. 3655, by Rep. Betts, to extend rural delivery mail service to persons desiring such service and residing on or near improved roads; to Post Office and Civil Service Committee (p. 1043). Remarks of author (p. 1034).
10. MONOPOLIES. H. R. 3658, by Rep. Celler, to amend the Clayton Act by granting a right of action to the U. S. to recover damages under the anti-trust laws; to Judiciary Committee (p. 1043).
H. R. 3659, by Rep. Celler, to increase criminal penalties under the Sherman Antitrust Act; to Judiciary Committee (p. 1043).
11. WATER POLLUTION. H. R. 3662, by Rep. Dondero, to encourage the prevention of air and water pollution by allowing the cost of treatment works for the abatement of air and stream pollution to be amortized at an accelerated rate for income-tax purposes; to Ways and Means Committee (p. 1043).
12. NATIONAL FORESTS. H. R. 3667, by Rep. Green, Oreg., to establish public use of the national forests as a policy of Congress; to Agriculture Committee (p. 1043).
13. WHEAT. H. R. 3669, by Rep. Hand, to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat or other grain producers from liability under the act where all the wheat or other grain crop is fed or used for seed on the farm; to Agriculture Committee (p. 1043).
14. TRADE AGREEMENTS. H. R. 3671, by Rep. Hyde, to assure the availability of materials essential to national security; to Ways and Means Committee (p. 1043).

2/15/55

14. SURPLUS COMMODITIES. The Armed Services Committee ordered reported H. R. 2123, to repeal Public Law 820, 80th Congress, to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (pp. D99-100).

15. SURPLUS PROPERTY. A subcommittee approved for reporting to the Government Operations Committee H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949 relative to the administration of the program for the utilization of surplus property for education and public health purposes (p. D100).

ITEMS IN APPENDIX

16. TRADE AGREEMENTS. Rep. Reed, N.Y., inserted a list of items, such as textiles and agricultural commodities, showing the maximum tariff rate reductions permissible under H. R. 1, and he also inserted and discussed a list of organizations opposing this bill (pp. A893, 903).

17. FOREIGN AID. Sen. Ellender inserted an editorial, "World's Costliest Baloney," stating that despite "unprecedented giveaways we don't seem to have any more international friends and sincere allies than we had in 1948" (p. A896).

Sen. Butler inserted Alexander Purdon's (Committee on American Steamship Lines) address discussing the merchant marine "as an instrument of national policy" and stating that it is good sense and good diplomacy to transport American goods under American flag vessels (pp. A896-8).

Sen. Ellender inserted a newspaper article discussing aid to Italy and opposing the world "giveaway plan" (pp. A899-900).

Extension of remarks of Sen. Smith, N.J., stating that "a new and somewhat different approach should be taken in preparing our foreign-aid program, aside from military assistance, as it affects what may be designated as the underdeveloped countries of the world, and particularly the Middle East and Far East," and including a newspaper article on this subject (pp. A901-2).

18. FARM LOANS. Rep. Teague inserted the Veterans of Foreign Wars' legislative recommendations, including extension of the VA direct housing-loan program to those veterans desiring to purchase farm homes (pp. A906-9).

BILLS INTRODUCED

19. RICE. S. 1061, by Sen. Ellender (for himself and Sen. Long), to provide for minimum 1955 State rice acreage allotments; to Agriculture and Forestry Committee (p. 1303). Remarks of author (pp. 1304-5).

20. LAND TRANSFER. S. 1064, by Sen. Thurmond (for himself and Sen. Johnston), to direct the Secretary of Agriculture to release on behalf of the U. S. conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands; to Agriculture and Forestry Committee (p. 1303).

21. FLOOD CONTROL. S. 1070, by Sen. Chavez, pertaining to emergency flood-control work; to Public Works Committee (p. 1303).

22. ROADS. S. 1072, by Sen. Chavez, to revise the Federal-aid highway laws of the U.S.; to Public Works Committee (p. 1303). Remarks of author (p. 1305).

23. INFORMATION; PRINTING. S. 1073, by Sen. Dirksen, to limit the acquisition and use by agencies of the Federal Government of equipment for reproducing documents, drawings, papers, etc., on sensitized materials; to Rules and Administration Committee (p. 1303). Remarks of author (pp. 1305-6).
24. MARKETING. S. 1075, by Sen. Humphrey, to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; to Agriculture and Forestry Committee (p. 1303). Remarks of author (p. 1306).
25. FOREST LANDS. S. 1079, by Sen. Aiken, to provide for the sale of certain lands in the national forests; to Agriculture and Forestry Committee (p. 1304).

BILL APPROVED BY THE PRESIDENT

26. INTERGOVERNMENTAL RELATIONS. H. R. 2010, continues the Commission of Intergovernmental Relations until June 30, 1955, and provides for the submission of its final report by that date. Approved Feb. 7, 1955 (Public Law 5, 84th Congress).

COMMITTEE HEARINGS RELEASED BY GPO

27. FARM PROGRAM, Long Range, Parts 22 and 23. H. Agriculture Committee. (Hearings held during 83rd Congress.)

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COMMITTEE HEARING ANNOUNCEMENTS FOR FEB. 16: USDA appropriations, H. Appropriations, ACPS to testify (exec). Cotton allotments and repeal of ACP tie-in with acreage allotments, H. Agriculture (exec). Alaska-Hawaii statehood and salt water research, H. Interior. Pay raises, H. Post Office and Civil Service. Road-laws revision, H. Public Works (Public Roads to testify).

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 17, 1955
For actions of February 16, 1955
84th-1st, No. 28

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HIGHLIGHTS: House committees reported cotton allotments increase bill and bill to repeal revolving fund for surplus commodities in occupied areas. House committees ordered reported bill to repeal ACP tie-in with acreage allotments and Alaska-Hawaii statehood bill. Rep. Roberts spoke in favor of increasing cotton allotments.

HOUSE

1. COTTON ALLOTMENTS. The Agriculture Committee reported with amendment H. R. 3952, to amend the Agricultural Adjustment Act of 1938 so as to increase cotton acreage allotments (H. Rept. 58)(p. 1394).
Rep. Roberts spoke in favor of increasing the 1955 cotton acreage allotments on farms receiving allotments of 5 acres or less and claimed that the acreage cuts are "resulting in a serious social problem" which "is caused partially by the fact that the Department of Agriculture in making acreage cuts is taking some of the cutback from the planted acres of 1954 instead of only from the allotted acres of 1954" (p. 1328).
2. SOIL CONSERVATION. The Agriculture Committee ordered reported H. R. 1573, to repeal Sec. 348 of the Agricultural Adjustment Act of 1938, which makes ACP payments contingent upon compliance with acreage allotments on basic crops (p. D104).
3. SURPLUS COMMODITIES. The Armed Services Committee reported without amendment H. R. 2123, to repeal Public Law 820, 80th Congress, which provides a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (H. Rept. 53)(p. 1394).

4. STATEHOOD. The Interior and Insular Affairs Committee ordered reported with amendments H. R. 2535, the Alaska-Hawaii statehood bill (pp. D104-5).
5. SURPLUS PROPERTY. The "Daily Digest" states that favorable action on H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949 relative to surplus property for education and public health purposes, was not taken Feb. 15 by the Subcommittee on Donable Property (p. D104). (The "Daily Digest" had stated that the bill had been approved for reporting to the full committee).
6. PERSONNEL. Received the President's message transmitting the CSC's report for the fiscal year 1954 (H. Doc. 13)(p. 1333).
7. WOOL. Received a Wis. Coop. Wool Growers Assn. petition urging USDA to provide for assignments by wool growers of the incentive payments to banks, credit institutions, and marketing agencies, including cooperatives, who have financed wool for growers in the past (p. 1397).
8. FARM LABOR. Received a Hudspeth County Farm Bureau (Tex.) petition opposing the use of "wetback" labor (p. 1397).
9. PRICE DISCRIMINATION. Rep. Patman spoke in favor of his bill, H. R. 11, to amend the Robinson-Patman Act (which makes unlawful price discriminations and unearned discounts and allowances) so as to change the burden of proof in price discrimination cases (p. 1329).
Reps. Ashmore, Bailey, and Philbin spoke against H. R. 1, and Rep. Ashmore said, "I view with particular apprehension the inherent threats toward textile manufacturing and cotton agriculture contained in this bill" (pp. 1382-5, 1390-2).
10. TRADE AGREEMENTS. Rep. Fogarty inserted a newspaper advertisement which, Rep. Fogarty said, "is an excellent presentation of the serious effect the passage of H. R. 1" (to extend the President's authority to enter into trade agreements, etc.) "would have on our textile industry" (pp. 1360-1).
11. TARIFFS. Rep. Burnside spoke against further tariff reductions, and said that U. S. tariffs are now "among the lowest in the world" (pp. 1362-3).
12. CIVIL DEFENSE. Rep. Holifield discussed the Federal civil defense program, and stated, "our program for minimizing casualties following an enemy attack, and for restoring defense production as quickly as possible--is tragically inadequate" (pp. 1386-90).

BILLS INTRODUCED

13. PERSONNEL. The following bills to amend the Civil Service Retirement Act of May 29, 1930, as amended, were introduced as follows:
By Rep. Lesinski: H. R. 4077, provide for payment of annuities to widowers of female employees; H. R. 4078, to provide for uniform rate for computation of all annuities; H. R. 4079, to provide that survivors of retiring employees shall automatically be entitled to an annuity equal to 50 per cent of earned annuity; H. R. 4080, to provide that accumulated sick leave over 90 days be credited to retirement fund; H. R. 4081, to provide optional retirement at 60 years after 25 years of service with full annuity; H. R. 4082, equal benefits for surviving children of female employees; H. R. 4083, eliminate reduction in annuity made

REPEALING THE NATURAL FIBERS ACT

FEBRUARY 16, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DURHAM, from the Committee on Armed Services, submitted the following

R E P O R T

[To accompany H. R. 2123]

The Committee on Armed Services, to whom was referred the bill (H. R. 2123) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H. R. 2123 is to repeal Public Law 820, 80th Congress (62 Stat. 1098), commonly known as the Natural Fibers Act.

BACKGROUND

Public Law 820, 80th Congress, provided for a revolving fund for the purpose of (a) purchasing natural fibers (including cotton waste) produced in the United States, and such other materials, including starch, dyestuff, roller leather, and card clothing as may be used in processing and finishing such fibers; (b) transporting such fibers and other materials to occupied areas, making them available for processing, and having such fibers processed in such area; (c) insuring such fibers and materials and the products obtained from such processing; and (d) selling products obtained from such processing. The basic objective of this law was to assist in the industrial rehabilitation and economic recovery of occupied areas. It was felt that until these countries could be restored to a basis of self-support, the American taxpayers would have to continue to foot a large bill for feeding and clothing the people of these areas. Proceeds from the sale of

products of commodities purchased with money from the fund were utilized to repay, with interest, outlays from the fund.

Although other areas were in a position to benefit from the provisions of this act, Japan was the only area to take advantage of this opportunity. The Secretary of the Army was authorized to issue notes for purchase by the Secretary of the Treasury in an aggregate amount not to exceed \$150 million to cover payments of costs specified in the act. Under this authority, a note for \$100 million was issued to finance shipments of raw cotton to Japan and the total expenditures made for this purpose during 1948-49 amounted to \$57,554,227. Complete repayment of the borrowings was effected on June 13, 1950. Since that date no further purchases have been made with moneys from that fund.

The \$100 million note was kept open in the event of any critical need for the further financing for United States raw cotton shipments to Japan during the balance of the occupation. Such a need did not arise in light of favorable trade developments and the acquisition of substantial foreign exchange balances by Japan.

On May 22, 1952, the Department of the Treasury notified the Department of the Army that the \$100 million note would expire as of June 1, 1952, and that in view of the termination of the occupation, arrangements should be made for the cancellation of this note. Accordingly, the Secretary of the Army requested the Secretary of the Treasury, on June 2, 1952, to transfer the \$100 million note in full repayment of the general fund of the Treasury.

Repeal of Public Law 820 is desired because with ratification and confirmation of the treaty of peace with Japan, and with no anticipated requirement for outlays of money from this fund by the remaining occupied areas, no further need seems to exist for the fund; and repeal, if enacted, would remove from the statute books a law no longer required. Further, although the authority granted in Public Law 820 is not utilized, the retention of the act on the statute books imposes a requirement on the Secretary of the Army annually to make a complete report to Congress with respect to the status of the fund. Preparation of this report by the Department of the Army and review by the Bureau of the Budget and the Congress cause unnecessary utilization of personnel and material.

DEPARTMENTAL RECOMMENDATIONS AND BUDGET DATA

The enactment of the proposed legislation would not involve the expenditure of any Federal funds.

The proposed measure is a part of the Department of Defense legislative program for the 84th Congress and has been approved by the Bureau of the Budget. The Department of Defense recommends that it be enacted by the Congress, as is evidenced by the letter dated January 6, 1955, from Secretary of the Army Robert T. Stevens, which is attached hereto and made a part of this report.

JANUARY 6, 1955.

Hon. SAM RAYBURN,

Speaker of the House of Representatives.

DEAR MR. SPEAKER: There is forwarded herewith a draft of legislation to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Army has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The basic objective of Public Law 820, 80th Congress, commonly called the Natural Fibers Revolving Fund Authority, was to assist in the industrial rehabilitation and economic recovery of occupied areas. It was felt that until these countries could be restored to a basis of self-sufficiency, American taxpayers would have to continue to foot a large bill for feeding and clothing the people of these areas.

Public Law 820, 80th Congress, provided for a revolving fund for the purchase within the United States of vitally needed agricultural commodities and raw materials to be processed in occupied areas and sold. Proceeds from the sale of products of commodities purchased with money from the fund were utilized to repay, with interest, outlays from the fund. Japan was the only area to take advantage of the provisions of this act and did not make any purchases with money from this fund after January 1950. In view of the ratification and confirmation of a treaty of peace with Japan, and no anticipated requirement for utilization of money from this fund by the remaining occupied areas as defined by the act, no further need seems to exist for the fund as created by authority of Public Law 820, 80th Congress.

LEGISLATIVE REFERENCES

An identical proposal was included in the Department of Defense legislative program for 1953 and was submitted to the Congress on January 5, 1953. That proposal was introduced as H. R. 2312, passed the House of Representatives on May 19, 1953, and was referred to the Senate Committee on Agriculture and Forestry. No further action was taken on that bill.

COST AND BUDGET DATA

This proposal would cause no apparent increase in budgetary requirements for the Department of Defense.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

CHANGES IN EXISTING LAW

In compliance with clause 3, of rule XIII of the Rules of the House of Representatives, there is herewith printed in parallel columns the text of provisions of existing laws which would be repealed or amended by the various provisions of the bill.

EXISTING LAW

THE BILL

(Public Law 820, 80th Cong.)

To provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of any other law, the Secretary of the Army is authorized to issue notes from time to time for purchase by the Secretary of the Treasury, not to exceed in the aggregate outstanding at any time \$150,000,000. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment of the purchase price of such notes and repayments thereof by the Secretary of the Army shall be treated as public-debt transactions of the United States. The proceeds of these notes shall be used by the Secretary of the Army, or his duly authorized representatives, as a revolving fund for the purpose of (a) purchasing natural fibers (including cotton waste) produced in the United States, and such other materials, including starch, dyestuff, roller leather, and card clothing as may be used in processing and finishing such fibers; (b) transporting such fibers and other materials to occupied areas, making them available for processing, and having such fibers processed in such areas; (c) insuring such fibers and materials and the products obtained from such processing; and (d) selling products obtained from such processing. In the case of wool, mohair, or flax fiber, only those types and grades shall be purchased hereunder as the Secretary of Agriculture, in the light of supplies on hand in the United States, designates as available for export; and stocks held by Commodity Credit Corporation of the types and grades so designated shall be purchased before other purchases are made of such types and grades. For the purpose of this Act an occupied area shall be considered as any liberated or occupied area, which is at the time, occupied by United States forces or such an area occupied jointly with another power or powers when it is considered by the Secretary of the Army to be necessary or desirable to include such an area, in order to carry out United States objectives: *Provided,* That a treaty of peace shall not have been ratified and confirmed for such an area.

That Public Law 820, Eightieth Congress (62 Stat. 1098), entitled, "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold", is hereby repealed.

SEC. 2. This Act shall take effect on June 30, 1955.

EXISTING LAW

THE BILL

SEC. 2. Neither the Secretary, nor any duly authorized representative, shall use the fund created by this Act for the purchase of any commodity unless, on the date of purchase of such commodity, it appears in his best judgment that within fifteen months after such date—

(a) such commodity will be processed, or used in processing operations, in an occupied area; and

(b) so much of the products obtained from such processing will be sold under such terms and for such currencies as will be necessary to cover, in United States dollars, (1) all amounts expended from the fund in connection with such commodity plus (2) an appropriate portion of the interest payable to the Secretary of the Treasury on account of loans made pursuant to this Act.

SEC. 3. The proceeds from the sale of products of commodities purchased with moneys from the fund, to the extent of the amounts specified in section 2, shall be returned to the fund.

SEC. 4. Annually after the date of enactment of this Act the Secretary of the Army shall make a complete report to the Congress with respect to the status of the fund. At such time as there shall no longer be any occupied area within the meaning of this Act, or at such earlier time as the President or the Congress by concurrent resolution shall determine that the fund is no longer required for the purposes of this Act, the unobligated balance of the fund shall be repaid to the Secretary of the Treasury; and the Secretary of the Army, as expeditiously as possible consistent with orderly liquidation, (a) shall cause to be sold so much of the commodities purchased with moneys from the fund and products thereof which are then on hand as may be necessary to obtain the amount of any balance then remaining owing to the Secretary of the Treasury on account of loans made pursuant to this Act, and (b) shall repay such amount to the Secretary of the Treasury.

SEC. 5. Fibers and other materials purchased for processing in any particular occupied area may, if a treaty of peace is ratified and confirmed with respect to such area prior to the processing of such commodities, be processed and sold, or sold, in such manner as the Secretary of the Army may deem to be in the best interest of the United States. If, after purchasing any such commodity with moneys from the fund, it shall appear to the Secretary of the

EXISTING LAW

THE BILL

Army that the product of such commodity cannot be sold for as much as the amounts specified in clauses (1) and (2) of section 2 of this Act the Secretary of the Army may sell such product for a lesser amount; but, insofar as may be possible, no commodities shall be sold for less than the amounts specified in clauses (1) and (2) of section 2 of this Act.

SEC. 6. So much of the commodities purchased with moneys from the fund for processing in any occupied area and so much of the products thereof as are not required to be sold, and so much of the proceeds obtained from the sale of any such commodities or products as is not required to be returned to the fund shall be used and disposed of by the Secretary of the Army, in such manner as he deems fit, for the benefit of the economy of such occupied area.

SEC. 7. In providing for the performance of any of the functions described in section 1 the Secretary of the Army shall to the maximum extent feasible utilize private channels of trade and is hereby authorized to make all necessary rules and regulations for the efficient implementation of the provisions of this Act.

Approved June 29, 1948.



84TH CONGRESS
1ST SESSION

H. R. 2123

[Report No. 53]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 1955

Mr. DURHAM introduced the following bill; which was referred to the Committee on Armed Services

FEBRUARY 16, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold".

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law 820, Eightieth Congress (62 Stat. 1098),
4 entitled "An Act to provide a revolving fund for the pur-
5 chase of agricultural commodities and raw materials to be
6 processed in occupied areas and sold", is hereby repealed.

7 SEC. 2. This Act shall take effect on June 30, 1955.

84TH CONGRESS
1ST SESSION

H. R. 2123

[Report No. 53]

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold".

By Mr. DUGGAM

JANUARY 13, 1955

Referred to the Committee on Armed Services

FEBRUARY 16, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 3, 1955
For actions of March 2, 1955
84th-1st, No. 38

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HOUSE

1. SOIL CONSERVATION. Passed without amendment H. R. 1573, to repeal Sec. 348 of the Agricultural Adjustment Act of 1938, which makes ACP payments contingent upon compliance with acreage allotments on basic crops (pp. 1967-9, 1974-9).
2. RICE. Both Houses received from this Department a report on the study of various two-price systems of price support and marketing which could be made applicable to rice, pursuant to section 315, Public Law 690, 83rd Congress; to H. Agriculture and S. Agriculture and Forestry Committees (pp. 1935-6, 1986).
3. HOUSING LOANS. Passed without amendment S. J. Res. 42, to increase by 1.5 billion the mortgage insurance authority of the Federal Housing Administration (pp. 1966, 1969-74). This bill will now be sent to the President.
4. FARM PROGRAM. Rep. Patman inserted excerpts from his weekly letters during January and February, including views on price supports and help for the family-size farm (pp. 1980-3).

5. ~~ALASKA COUNCILS.~~ The Subcommittee on Territories approved for reporting with amendments to the Interior and Insular Affairs Committee H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (p. D156).
6. ~~SURPLUS PROPERTY.~~ Received from the Federal Civil Defense Administration a proposed bill "to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes;" to Government Operations Committee (pp. 1986-7).
7. ~~STATEHOOD.~~ Received memorials from the Mass. Legislature urging statehood for Alaska and Hawaii (p. 1988).
8. ~~FOREIGN TRADE; COTTON.~~ The Legislative Reporting Staff has available for lending purposes copies of a committee print issued by the International Operations Subcommittee, House Government Operations Committee, "Report on Procurement of American Cotton by Spain."
9. ~~TRANSPORTATION.~~ H. Rept. 80 (see Digest No. 36), by the Merchant Marine and Fisheries Committee, makes the following recommendations in connection with administration of the Cargo Preference Act:
 - "1. Government agencies should discontinue the practice of permitting representatives of foreign governments to arrange for shipments of that cargo which is subject to the limitations of the Cargo Preference Act.
 - "2. The General Services Administration should immediately assume the responsibility placed upon it by law and centralize in one agency the function of transportation and traffic management. (See sec. 201 (a) of the Federal Property and Administrative Services Act of 1949.)
 - "3. Procedures should be established under which each of the executive agencies administering export or import programs shall exchange information and so plan their activities in the transportation field as to effect a more economical operation and a more effective administration of the Cargo Preference Act.
 - "4. The Maritime Administrator should undertake to publish rates for the guidance of the agency arranging cargo shipments in determining from time to time whether United States-flag ships are available at fair and reasonable rates for United States-flag commercial vessels.
 - "5. Liner services should be utilized to the extent practicable.
 - "6. Consideration should be given to the execution of consecutive charters and other similar arrangements designed to secure lower transportation rates for Government shipments.
 - "7. The Maritime Administration should exercise general surveillance over the administration and operation of the Cargo Preference Act and report to the Congress periodically with respect thereto.
 - "8. The Secretary of State should take all action necessary and appropriate to maintain the national policy of the United States as reflected in the Cargo Preference Act in our relations with foreign nations."

SENATE

10. ~~COMMODITY EXCHANGES; FARM CREDIT; SURPLUS COMMODITIES.~~ The Agriculture and Forestry Committee reported without amendment ~~S. 1051, to authorize increased GSA registration and renewal of certificates fees (S. Rept. 39); S. 941, to~~

~~authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (S. Rept. 37); and S. 942, to repeal the law providing a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (S. Rept. 38); and with amendment S. 752, to eliminate the requirement that private stocks exported under Public Law 480, 83rd Congress, be replaced from CCC stocks (S. Rept. 40) (p. 1940).~~

~~Sen. Williams spoke against shipping surplus agricultural commodities to Russia and other iron curtain countries (pp. 1964-5).~~

- ~~11. ELECTRIFICATION; FOREST LANDS. The Agriculture and Forestry Committee ordered reported S. 153, to amend the REAct of 1936 so as to eliminate the State allotment formula, and S. 72, providing that certain lands conveyed to the U. S. by N. Mex. situated within the Lincoln National Forest shall be administered as national forest lands (p. D153).~~
- ~~12. TAXATION. The Finance Committee reported with amendment H. R. 4259, to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise taxes (S. Rept. 36)(p. 1917). Authority was granted for filing by noon, Mar. 8, of minority views on this bill (pp. 1962-4).~~
- ~~13. NOMINATION. The Agriculture and Forestry Committee reported the nomination of Sam H. Bober to be a member of the Federal Farm Credit Board (p. 1940).~~
- ~~14. SOIL CONSERVATION. The Agriculture and Forestry Committee appointed a sub-committee (Sens. Humphrey, Scott, and Mundt) to consider S. 494, and related bills, to repeal Sec. 348 of the Agricultural Adjustment Act of 1938, which makes ACP payments contingent upon compliance with acreage allotments on basic crops (p. D154).~~
- ~~15. TECHNICAL ASSISTANCE. Sen. Wiley stated that the technical assistance specialists have "literally been performing miracles in contributing to the economic health of underdeveloped nations" and inserted a letter on this subject (p. 1958).~~
- ~~16. NEWSPRINT. Sen. Ellender inserted several newspaper articles discussing the development and use of Bagasse newsprint (pp. 1959-60).~~
- ~~17. BUDGETING; EXPENDITURES. Sen. Bennett inserted Treasury Secretary Humphrey's recent speech wherein he discussed the Administration's efforts to balance the budget, cut expenditures, etc. (pp. 1960-2).~~
- ~~18. SELECTIVE SERVICE. Sen. Humphrey submitted amendments intended to be proposed by him to H. R. 3005, to extend selective service for 4 years until July 1, 1959, etc. (p. 1947).~~
- ~~19. ROADS. Sen. Byrd inserted a number of newspaper editorials opposing the method of financing the nation's long-range highway plans as proposed by the Clay Commission (pp. 1947-53).~~
- ~~20. STATEHOOD; TARIFFS; TEXTILES; TREATIES. Received various State Legislature memorials and other petitions favoring statehood for Alaska and Hawaii; opposing tariff reductions on textile imports; and favoring the so-called Bricker~~

amendment to restrict the President's treaty power (pp. 1937-8).

21. RECLAMATION. Received from the Interior Department a soil survey and land classification report of the lands to be benefited by the Haystack Equalizing Reservoir, stating that the lands to be irrigated are susceptible to the production of agricultural crops through irrigation (p. 1936).
22. ROADS. Received from the Interior Department a proposed bill to authorize that Department to acquire certain rights-of-way and timber access roads (p. 1936).
23. INFORMATION; EDUCATION. Received from the Commission of Fine Arts a proposed bill "to amend the act of May 17, 1910, relating to the establishment of a Commission of Fine Arts"; to Rules and Administration Committee (p. 1936).
24. STOCKPILING. Received from the ODM a confidential "Statistical Stockpile Report to the Congress" for the period July 1 through Dec. 31, 1954 (p. 1936).
25. ADJOURNED until Fri., Mar. 4, and Sen. Clements announced that no legislative business is expected to be taken up on Fri. (p. 1965).

COMMITTEE HEARINGS RELEASED BY GPO

26. ECONOMIC REPORT. January 1955 economic report of the President. Joint Committee on the Economic Report.
27. WHEAT. S. 145, H. R. 1572, 1580, 1765, 1813, to increase marketing quotas and acreage allotments for 1955 durum wheat crop. H. Agriculture Committee.

ITEMS IN APPENDIX

28. DROUGHT RELIEF. Extension of remarks of Rep. Berry commending the Department's administration of the drought relief program and discussing various phases of the program (pp. A1360-2).
29. FORESTRY. Rep. Shuford inserted 2 Asheville (N.C.) Citizen editorials, "Trees and Men" and "Forest Service's Role In Our Past and Future" commending FS on its 50th anniversary (pp. A1364, A1371).
30. ELECTRIFICATION; RECLAMATION. Rep. Roberts inserted his statement giving a legislative history of the development of the Alabama-Coosa River Basin (pp. A1362-4).
Rep. Lack inserted a Slovene Nat'l Benefit Society resolution urging expansion of FPA, TVA, and public power (pp. A1374-5).
Extension of remarks of Rep. Engle criticizing the administration's power policy (p. A1375).
31. PRICE SUPPORTS. Rep. Dawson inserted a Salt Lake Deseret News and Telegram editorial commending Rep. Dixon for his "Close analysis of the figures which had been offered and their source" of the costs of the price support programs (p. A1365).
32. DAIRY PRODUCTS. Rep. Johnson inserted a Capital Times of Madison (Wis.) article summarizing "the fact that milk--particularly nonfat dry milk--is one of the best sources of protein" (pp. A1366-7).

REPEAL OF NATURAL FIBERS REVOLVING FUND
AUTHORITY

MARCH 2, 1955.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany S. 942]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would repeal the act providing a revolving fund for the purchase of commodities to be processed in occupied areas, no such purchases having been made since January 1950. The letter of the Secretary of the Army requesting this legislation is attached.

DEPARTMENT OF THE ARMY,
Washington, D. C., December 21, 1954.

HON. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Army has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The basic objective of Public Law 820, 80th Congress, commonly called the natural fibers revolving fund authority, was to assist in the industrial rehabilitation and economic recovery of occupied areas. It was felt that until these

countries could be restored to a basis of self-sufficiency, American taxpayers would have to continue to foot a large bill for feeding and clothing the people of these areas.

Public Law 820, 80th Congress, provided for a revolving fund for the purchase within the United States of vitally needed agricultural commodities and raw materials to be processed in occupied areas and sold. Proceeds from the sale of products of commodities purchased with money from the fund were utilized to repay, with interest, outlays from the fund. Japan was the only area to take advantage of the provisions of this act and did not make any purchases with money from this fund after January 1950. In view of the ratification and confirmation of a treaty of peace with Japan, and no anticipated requirement for utilization of money from this fund by the remaining occupied areas as defined by the act, no further need seems to exist for the fund as created by authority of Public Law 820, 80th Congress.

LEGISLATIVE REFERENCES

An identical proposal was included in the Department of Defense legislative program for 1953 and was submitted to the Congress on January 5, 1953. That proposal was introduced as H. R. 2312, passed the House of Representatives on May 19, 1953, and was referred to the Senate Committee on Agriculture and Forestry. No further action was taken on that bill.

COST AND BUDGET DATA

This proposal would cause no apparent increase in budgetary requirements for the Department of Defense.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX, of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets):

[PUBLIC LAW 820, 80TH CONG.]

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of any other law, the Secretary of the Army is authorized to issue notes from time to time for purchase by the Secretary of the Treasury, not to exceed in the aggregate outstanding at any time \$150,000,000. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment of the purchase price of such notes and repayments thereof by the Secretary of the Army shall be treated as public-debt transactions of the United States. The proceeds of these notes shall be used by the Secretary of the Army, or his duly authorized representatives, as a revolving fund for the purpose of (a) purchasing natural fibers (including cotton waste) produced in the United States, and such other materials, including starch, dyestuff, roller leather, and card clothing as may be used in processing and finishing such fibers; (b) transporting such fibers and other materials to occupied areas, making them available for processing, and having such fibers processed in such areas; (c) insuring such fibers and materials and the products obtained from such processing; and (d) selling products obtained from such processing. In the case of wool, mohair, or flax fiber, only those types and grades shall be purchased hereunder as the Secretary of Agriculture, in the light of supplies on hand in the United States, designates as available for export; and stocks held by Commodity Credit Corporation of the types and grades so designated shall be purchased before other purchases are made of such types and grades. For the purpose of this Act an occupied area shall be considered as any liberated or occupied area, which is at the time, occupied by United States forces or such an area occupied jointly with another power or powers when it is considered by the Secretary of the Army to be necessary or desirable to include such

an area, in order to carry out United States objectives: *Provided*, That a treaty of peace shall not have been ratified and confirmed for such an area.

[SEC. 2. Neither the Secretary, nor any duly authorized representative, shall use the fund created by this Act for the purchase of any commodity unless, on the date of purchase of such commodity, it appears in his best judgment that within fifteen months after such date—

[(a) such commodity will be processed, or used in processing operations, in an occupied area; and

[(b) so much of the products obtained from such processing will be sold under such terms and for such currencies as will be necessary to cover, in United States dollars, (1) all amounts expended from the fund in connection with such commodity plus (2) an appropriate portion of the interest payable to the Secretary of the Treasury on account of loans made pursuant to this Act.

[SEC. 3. The proceeds from the sale of products of commodities purchased with moneys from the fund, to the extent of the amounts specified in section 2, shall be returned to the fund.

[SEC. 4. Annually after the date of enactment of this Act the Secretary of the Army shall make a complete report to the Congress with respect to the status of the fund. At such time as there shall no longer be any occupied area within the meaning of this Act, or at such earlier time as the President or the Congress by concurrent resolution shall determine that the fund is no longer required for the purposes of this Act, the unobligated balance of the fund shall be repaid to the Secretary of the Treasury; and the Secretary of the Army, as expeditiously as possible consistent with orderly liquidation, (a) shall cause to be sold so much of the commodities purchased with moneys from the fund and products thereof which are then on hand as may be necessary to obtain the amount of any balance then remaining owing to the Secretary of the Treasury on account of loans made pursuant to this Act, and (b) shall repay such amount to the Secretary of the Treasury.

[SEC. 5. Fibers and other materials purchased for processing in any particular occupied area may, if a treaty of peace is ratified and confirmed with respect to such area prior to the processing of such commodities, be processed and sold, or sold, in such manner as the Secretary of the Army may deem to be in the best interest of the United States. If, after purchasing any such commodity with moneys from the fund, it shall appear to the Secretary of the Army that the product of such commodity cannot be sold for as much as the amounts specified in clauses (1) and (2) of section 2 of this Act the Secretary of the Army may sell such product for a lesser amount; but, insofar as may be possible, no commodities shall be sold for less than the amounts specified in clauses (1) and (2) of section 2 of this Act.

[SEC. 6. So much of the commodities purchased with moneys from the fund for processing in any occupied area and so much of the products thereof as are not required to be sold, and so much of the proceeds obtained from the sale of any such commodities or products as is not required to be returned to the fund shall be used and disposed of by the Secretary of the Army, in such manner as he deems fit, for the benefit of the economy of such occupied area.

[SEC. 7. In providing for the performance of any of the functions described in section 1 the Secretary of the Army shall to the maximum extent feasible utilize private channels of trade and is hereby authorized to make all necessary rules and regulations for the efficient implementation of the provisions of this Act.]



84TH CONGRESS
1ST SESSION

S. 942

[Report No. 38]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

MARCH 2, 1955

Reported by Mr. ELLENDER, without amendment

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098),
entitled "An Act to provide a revolving fund for the purchase
of agricultural commodities and raw materials to be processed
in occupied areas and sold."

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law 820, Eightieth Congress (62 Stat. 1098),
4 entitled "An Act to provide a revolving fund for the pur-
5 chase of agricultural commodities and raw materials to be
6 processed in occupied areas and sold", is hereby repealed.

7 SEC. 2. This Act shall take effect on June 30, 1955.

Calendar No. 41

84TH CONGRESS
1ST SESSION

S. 942

[Report No. 38]

A BILL

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

By Mr. ELLENDER

FEBRUARY 4, 1955

Read twice and referred to the Committee on
Agriculture and Forestry

MARCH 2, 1955

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

March 9, 1955
March 8, 1955
84th-1st, No. 42

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HIGHLIGHTS: House committee ordered reported 90% price supports bill, with amendments to establish two-price wheat plan, provide 80-90% dairy price supports, extend brucellosis and school-lunch program. House committee reported CCC fungible goods claims bill. Sen. Ellender introduced bills to continue livestock loan program and to dispose of LU lands. Senate committee reported cotton allotment increase bill.

HOUSE

1. PRICE SUPPORTS. The Agriculture Committee ordered reported, by a vote 23 to 12, H. R. 12, to reestablish 90% price supports for basic commodities. The "Daily Digest" states that amendments were adopted which would make a part of the reported bill the provisions of H. R. 2598, as amended, to establish a two-price plan for wheat; provide for 80-90% price supports on dairy products, extend the brucellosis program, and extend the school-lunch program with appropriations therefor of \$75 million instead of \$50 million (p. D176).
2. CCC CLAIMS. The Agriculture Committee reported without amendment H. R. 1831, to amend the CCC Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from CCC claims (H. Rept. 154)(p. 2141).
3. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 4046, a bill to abolish the Old Kasaan National Monument, Alaska, and make the lands thereof a part of the Tongass National Forest (H. Rept. 155)(p. 2141).

4. ALASKA WATER RESOURCES. The Interior and Insular Affairs Committee passed over, without prejudice, H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (p. D177).
5. PERSONNEL. The Post Office and Civil Service Committee appointed a subcommittee (Rep. Dowdy, chrmn.) on H. R. 3948, to clarify the Federal Employees Uniform Allowance Act relative to enactment date (p. D177).
6. CONGRESSIONAL RECORD AND REPORTS. Rep. Patman urged improvement in the typography of committee reports and that the Congressional Record be printed in a more readable form, stated that "A suggestion that Congress should furnish every person receiving the Congressional Record with a reader's magnifying glass in order to protect his eyes would not be unreasonable," and inserted correspondence and statements on this subject (pp. 2127-8).
7. FORESTRY. Received an Ariz. Legislature memorial relative to timberland in the Coconino and Sitgreaves National Forests in Ariz. (p. 2144).
8. LANDS; MISSOURI BASIN. Received a S. Dak. Legislature memorial relative to the land-acquisition program in the Missouri River Basin (p. 2144).
9. PERSONNEL. Received a Little Rock, Ark., Corps of Engineers petition urging approval of a 10% pay increase for Federal employees (p. 2144).
10. ADJOURNED until Thurs., Mar. 10 (p. 2141).

SENATE

11. ~~COMMODITY EXCHANGE FEES; SURPLUS COMMODITIES; FARM CREDIT.~~ Passed without amendment S. 1051, to amend Sec. 8A (4) of the Commodity Exchange Act so as to authorize increased fees and charges for CEA registrations and renewals thereof and for copies of registration certificates (p. 2106);
S. 942, to repeal Public Law 820, 80th Congress, which provides for a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (p. 2105); and S. 941, to amend Sec. 13 of the Federal Farm Loan Act so as to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (p. 2086).
12. COTTON ALLOTMENTS. The Agriculture and Forestry Committee reported with amendment H. R. 3952, to amend the Agricultural Adjustment Act of 1938 so as to provide for an increase in the 1955 national cotton acreage allotments of approximately 258,000 acres (S. Rept. 47)(p. 2073).
13. FOREST LANDS; MINERALS. At the request of Sen. Ellender, S. 687, to authorize the Secretary of Agriculture to protect timber and other surface values in national forests from invalid mining claims, was transferred from the Agriculture and Forestry Committee to the Interior and Insular Affairs Committee (p. 2079).
Received an Ariz. Legislature memorial favoring U. S. purchase of timberland in the Coconino and Sitgreaves national forests, Ariz., from the Aztec Land & Cattle Company (p. 2069).

when the necessary low-cost power can be assured.

Furthermore, under this system the Hungry Horse project provides financial aid for future reclamation projects in Montana through its power revenues. We also see substantial benefits in flood control and navigation.

A large phosphate fertilizer plant which located in the western part of Montana, and which processes the raw phosphate rock by means of electric furnace treatment, came into my State because of the cheap power available and because the legislation authorizing Hungry Horse also took cognizance of the needs of an underdeveloped area and allocated a substantial block of power to aid its economy. This is important. Projects of this type benefit the immediate region as well as the surrounding regions and the whole Nation.

And before Hungry Horse had begun to produce hydroelectric energy, contracts for nearly all its firm power had been let to public groups, new industries and privately owned electric utilities. This illustrates perfectly the wisdom of a resource development policy and program which conceives that creating large blocks of low-cost power ahead of demand creates a demand which quickly absorbs it. In the general interest, we must resume such a program, for if the economy of the Nation is not constantly sustained and stimulated to further growth by new energy it will not continue to expand.

The Employment Act of 1946 of which I had the honor to be the original sponsor, has written into our economic system a policy which calls upon the Federal Government to provide, through cooperation of all governmental units, a constantly expanding economy, thus to attain maximum employment and high purchasing power throughout our Nation. I have used the Hungry Horse example, close to home in Montana, to illustrate how this has been done and how necessary it is that the Federal Government resume a rapid and orderly creation of new economic strength in regions by comprehensive development of certain key resources.

Here in the Northwest, between the States of Oregon and Idaho, the Snake River rushes with tremendous power through a massive canyon where walls of basalt rock have drawn together to provide a natural damsite which cries for development on a colossal scale. It is one of the last of the great natural damsites of this kind that is left in the land. If we in this body can see and understand what is required here to harness this great onrushing river on even a larger scale than Hungry Horse, we will exercise the wisdom and statesmanship our country demands and convert the wasted waters of Hells Canyon into one of the greatest economic assets of the Nation.

At Hells Canyon, just as at Hungry Horse, a huge storage reservoir will be created. It will be operated in coordination with other projects on the river to hold back water during flood stages to aid in protection against floods, and release it in dry months to firm-up the power production of the powerplants below and

also contribute to maintenance of navigation.

Hells Canyon, just as at Hungry Horse, will pool its great contribution of low-cost power with the Federal Columbia River power system. Over the regional gridback transmission lines, this energy will surge forth to the load centers for the use of industry, municipalities, public bodies, cooperatives, and privately owned electric utilities. The underdeveloped upstream areas of Idaho and eastern Oregon will be allocated a large amount of power attributable to Hells Canyon, which power will be available the year around. What happened in western Montana and the lower Columbia will be repeated in the Hells Canyon area, for low-cost power is a magnet constantly attracting new private enterprise; and this predominantly agricultural, lumbering, and mining community will be diversified by new year-around payrolls and employment which it so sorely needs.

In the West there are still untold opportunities for reclamation as population inexorably presses against available food supply. The power revenues from Hells Canyon project, aiding farmers in paying off costs of new projects beyond their ability to meet financially, will be a most important factor in this development.

Mr. President, I have mentioned the relationship between Hungry Horse and expansion of phosphatic fertilizer development. Hells Canyon is even more important in this regard because of its unique geographic location as the only large power producer within economic transmission distance of the phosphate rock reserves of eastern Idaho and contiguous States. From the Midwest to the Pacific coast, the effects of low-cost power upon full development of these reserves, the Nation's largest, will be felt by the agricultural economy. There will not only be greater use of phosphate fertilizers on the land to restore the needed ingredients taken from it by growing crops, but tremendous savings of millions of dollars every year to farmers in 17 States who will be able to purchase high-analysis fertilizer at lower freight and handling costs.

The issue at Hells Canyon is both simple and significant to the entire American people. I have shown how Hungry Horse, an accomplished fact, and Hells Canyon, which will be an accomplished fact, are basically identical in concept and planned use in controlling and using a river through upstream storage. The one difference is geographical location.

Hells Canyon will mean to the region and the Nation what Grand Coulee and Hungry Horse, the TVA, and other great public works, of the people for the people, have meant. Every drop of water in our rivers must be used over and over again until it reaches the sea. The planning of the extent and full range of uses must be comprehensive. Only in this way can we meet our grave responsibilities to the people of these regions and to the Nation, for these rivers belong to the people.

Mr. President, I urge that the Senate of the United States, which controls the future welfare of our country, realize

the significance of this important measure, both in its narrower and broader aspects, for indeed our action on this bill will involve important and far-reaching repercussions upon our future. For the general welfare of the region and for America, this bill should pass.

REPEAL OF PUBLIC LAW 820 REGARDING REVOLVING FUND FOR THE PURCHASE OF AGRICULTURAL COMMODITIES

Mr. STENNIS. Mr. President, the Senator from Indiana [Mr. CAPEHART] is prepared to speak at this time. However, if agreeable to him, I now wish to ask unanimous consent for the consideration of several bills which I believe will not involve debate.

Mr. CAPEHART. That will be satisfactory, if the bills will not involve debate.

Mr. THYE. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I yield.

Mr. THYE. Let me say that these bills, including Senate bill 941, which was passed earlier today, have been cleared with both the majority leader and the minority leader, and we know of no objection to the bills.

Mr. ELLENDER. Mr. President, the bills have been reported unanimously by the committee.

Mr. STENNIS. Mr. President, in line with the explanation just given, I ask unanimous consent for the present consideration of Senate bill 942, Calendar 41.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, this bill would repeal the act providing a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas. Japan was the only occupied area to make use of this provision; and no purchases have been made since January 1950. There is no likelihood of its use by any area remaining occupied, and the Department of the Army has consequently requested its repeal.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 942) was ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," is hereby repealed.

SEC. 2. This act shall take effect on June 30, 1955.

AMENDMENT OF SECTION 8A (4) OF THE COMMODITY EXCHANGE ACT, AS AMENDED

Mr. STENNIS. Mr. President, in connection with the explanation given in regard to the Senate bills 941 and 942, I now request unanimous consent for the present consideration of Senate bill 1051, Calendar No. 42.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1051) to amend section 8a (4) of the Commodity Exchange Act, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, this bill would remove the limit of \$10 on fees for registration of commission merchants and floor brokers under the Commodity Exchange Act. It was requested by the Department of Agriculture and is identical to S. 3207 which the Senate passed late last session but which was not passed by the House.

The \$10 maximum registration fee was fixed in 1936 and is not now sufficient to cover the aggregate cost of registration activities under the act. In lieu of the \$10 limit the bill would provide for reasonable fees.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1051) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 8a (4) of the Commodity Exchange Act, as amended (7 U. S. C. 12a (4)), is amended to read as follows:

"(4) to fix and establish from time to time reasonable fees and charges for registrations and renewals thereof and for copies of registration certificates; and."

AUTHORIZATION FOR PERSONNEL OF ARMED FORCES TO PARTICIPATE IN THE SECOND PAN-AMERICAN GAMES

Mr. STENNIS. Mr. President, in line with the explanation given regarding the bills just acted upon, I now request unanimous consent for the present consideration of Senate bill 829, Calendar No. 49.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 829) to authorize personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, games of the XVI Olympiad, future pan-American games and Olympic games, and certain other international amateur sports competitions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had

been reported from the Committee on Armed Services with amendments, on page 2, after line 2, to strike out:

SEC. 2. (a) The Secretary concerned is authorized to permit personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, the games of the XVI Olympiad, future pan-American games and Olympic games, and, if the Secretary of State determines that the interests of the United States will be served by participation therein, any other international amateur sports competition.

And in lieu thereof, to insert:

SEC. 2. (a) The Secretary concerned is authorized (1) to permit personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, the games of the XVI Olympiad, future pan-American games, and Olympic games, and (2) subject to the limitation contained in subsection (b) herein, to permit personnel of the Armed Forces to train for, attend, and participate in other international amateur sports competition not specified in (1) above, if the Secretary of State determines that the interests of the United States will be served by participation therein.

(b) The Secretary of Defense shall, not later than 30 days prior to the commitment of personnel pursuant to the authority contained in subsection (a) (2) hereof, furnish to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the details of the proposed participation by personnel of the Armed Forces in international amateur sports competition.

On page 3, at the beginning of line 5, to strike out "(b) The", and insert, "(c) Subject to the limitations contained in section 3 of this act, the"; after line 12, to strike out:

SEC. 3. Appropriations available to the Department of Defense and the Department of the Treasury, as the case may be, may be utilized to carry out the purposes of this act.

And in lieu thereof, to insert:

SEC. 3. (a) There may be expended, for the participation of members of the Army, Navy, Air Force, and Marine Corps in the activities covered by this act, not more than \$800,000 during each 4-year period beginning on the date of enactment of this act, to be apportioned among the military departments as prescribed by the Secretary of Defense.

(b) There may be expended, for the participation of members of the Coast Guard in the activities covered by this act, not more than \$100,000 during each 4-year period beginning on the date of enactment of this act.

(c) Appropriations available to the Department of Defense and the Department of the Treasury, as the case may be, may be utilized to carry out the purposes of this act.

On page 4, line 9, after the word "naval", to strike out "activities.", and insert "activities."; and after line 9, to insert:

SEC. 5. Notwithstanding any other provision of law, (a) no member of the uniformed services shall be entitled to the travel or transportation allowances authorized by section 303 of the Career Compensation Act of 1949, as amended, for any period during which his expenses for travel or transportation are being paid by the agency sponsoring his participation in the games and competitions authorized by this act, and (b) no member of the uniformed services without dependents shall be entitled to receive the basic allowances for subsistence and quarters authorized by sections 301 and 302 of the Career Compensation Act of 1949, as amended,

ed, for any period during which such member is subsisted and quartered by the agency sponsoring his participation in the games and competitions as authorized by this act.

So as to make the bill read:

Be it enacted, etc., That the act of July 1, 1947 (Public Law 159, 80th Cong.; 61 Stat. 243), is hereby amended to read as follows: "That as used in this act, the term 'Secretary' means the Secretary of Defense, and, with respect to the Coast Guard when it is not operating as a part of the Navy, the Secretary of the Treasury, as the case may be.

"SEC. 2. (a) The Secretary concerned is authorized (1) to permit personnel of the Armed Forces to train for, attend, and participate in the Second Pan-American Games, the Seventh Olympic Winter Games, the Games of the XVI Olympiad, future Pan-American Games and Olympic Games, and (2) subject to the limitation contained in subsection (b) herein, to permit personnel of the Armed Forces to train for, attend, and participate in other international amateur sports competition not specified in (1) above, if the Secretary of State determines that the interests of the United States will be served by participation therein.

"(b) The Secretary of Defense shall, not later than 30 days prior to the commitment of personnel pursuant to the authority contained in subsection (a) (2) hereof, furnish to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the details of the proposed participation by personnel of the Armed Forces in international amateur sports competition.

"(c) Subject to the limitations contained in section 3 of this act, the Secretary concerned may spend such funds and acquire and utilize such supplies, materiel, and equipment as he determines to be necessary to provide training of personnel of the Armed Forces for such games, to provide for their attendance at and participation in such games, and for training of animals of the Armed Forces for, and their attendance at and participation in, such games.

"SEC. 3. (a) There may be expended, for the participation of members of the Army, Navy, Air Force, and Marine Corps in the activities covered by this act, not more than \$800,000 during each 4-year period beginning on the date of enactment of this act, to be apportioned among the military departments as prescribed by the Secretary of Defense.

"(b) There may be expended, for the participation of members of the Coast Guard in the activities covered by this act, not more than \$100,000 during each 4-year period beginning on the date of enactment of this act.

"(c) Appropriations available to the Department of Defense and the Department of the Treasury, as the case may be, may be utilized to carry out the purposes of this act.

"SEC. 4. Nothing in this act shall authorize the payment of allowances at rates in excess of those fixed for participation in other military or naval activities.

"SEC. 5. Notwithstanding any other provision of law, (a) no member of the uniformed services shall be entitled to the travel or transportation allowances authorized by section 303 of the Career Compensation Act of 1949, as amended, for any period during which his expenses for travel or transportation are being paid by the agency sponsoring his participation in the games and competitions authorized by this act, and (b) no member of the uniformed services without dependents shall be entitled to receive the basic allowances for subsistence and quarters authorized by sections 301 and 302 of the Career Compensation Act of 1949, as amended, for any period during which such member is subsisted and quartered by the agency sponsoring his participation in

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of

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HIGHLIGHTS: House passed Treasury-Post Office appropriation bill. House committee reported 2nd supplemental appropriation bill. House discussed CCC fungible goods claims bill. House passed bill to repeal revolving fund for surplus commodities in occupied areas. House committee ordered reported bills to include onions in CEA, reapportion rice acreage allotments, and increase tobacco allotments. Senate passed tax bill after eliminating \$20 tax credit. Rep. Dawson (Ill.) introduced bill to increase per diem allowance.

HOUSE

1. APPROPRIATIONS. Passed without amendment H. R. 4876, the Treasury-Post Office appropriation bill, 1956. The amendment would correct an error in the printing of the bill. (pp. 2491-2505.)

The Appropriations Committee reported without amendment H. R. 4903, the second supplemental appropriation bill, 1955 (H. Rept. 207) (pp. 2470, 2516). See end of Digest for provisions of this bill.

2. COMMODITY EXCHANGE; RICE; TOBACCO. The Agriculture Committee ordered reported H. R. 122, to include onions within the provisions of the Commodity Exchange Act; H. R. 2839, to provide for reapportionment of rice acreage allotments voluntarily surrendered to the county committee; H. R. 4356, to amend the Agricultural Adjustment Act with respect to rice allotment history; H. R. 4756, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act regarding establishment of State and farm acreage allotments; and H. R. 4757, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act regarding proof of tobacco disposition reports (p. D202).

3. CCC CLAIMS. Discussed and passed over, at the request of Majority Leader McCormack, H. R. 1831, to amend the CCC Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from CCC claims (pp. 2473-5).
4. SURPLUS COMMODITIES. Passed without amendment S. 942, to repeal Public Law 820, 80th Congress, which provides a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (p. 2471). This bill will now be sent to the President.
5. LAND TRANSFER. Passed without amendment H. J. Res. 107, to permit this Department to release reversionary rights in certain property (formerly FHA) for school purposes in Kern County, Calif. (pp. 2470-1).
6. FORESTRY. Passed without amendment H. R. 4046, to abolish the Old Kasaan National Monument, Alaska, and make the lands thereof a part of the Tongass National Forest (p. 2475).
7. MINERALS; RECLAMATION. Passed as reported H. R. 100, to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development; and H. R. 103, to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (pp. 2471-3).
8. MONOPOLIES. Discussed and passed over, at the request of Rep. Patman, H.R. 3659, to increase criminal penalties under the Sherman Antitrust Act (p. 2472).
The "Daily Digest" states that the Judiciary Committee adopted amendments to H. R. 3658, to amend the Clayton Act by granting a right of action to the U. S. to recover damages under the antitrust laws; and ordered a clean bill to be introduced and reported to the House (P. D203).
9. FOREIGN AID. Rep. Williams, N. J., and others discussed basic principles and objectives of the technical assistance program, and urged provisions be made for this program on the "basis of a longer term than just year to year" (pp. 2510-5).
10. FLOOD CONTROL. Received from the Army Department a proposed bill to provide for the operation and maintenance of certain flood-control projects by local interests; to Public Works Committee.
11. DAIRY PRODUCTS; MARKETING; STATEHOOD; RECLAMATION. Received various State resolutions, etc., urging Congress "to further develop requirements for interstate transportation of dairy products and to eliminate artificial trade barriers" and favoring Alaska-Hawaii statehood and the Colo. reclamation project (p. 2517).
12. RUBBER. Rep. Patman inserted his testimony before the House Armed Services Committee opposing proposed sale of Government-owned rubber-producing facilities (pp. 2505-9).

the objectors in the past, and I am sure they will in the future—I think I am speaking for all of them—have felt that perhaps time should be given for all of the Members to become acquainted with the particular bill so that if they had any objection to its being passed without full debate they could voice their objections. Therefore, we have at times asked unanimous consent to pass over bills without prejudice when we were not opposed to the bill at all and would personally vote for it if it came up under a rule. However, the members of the objectors committee feel that time should be given so that all of the Members of the House can be fully apprised of what is happening or what may happen.

In short, Mr. Speaker, we are here to expedite legislation and for the protection of the Members, and not for the purpose of objecting or retarding or obstructing their legislation, which might be otherwise meritorious and does not violate any of the rules which would make it objectionable to the members of the Consent Calendar Committee.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. DEANE. I yield.

Mr. MILLER of Nebraska. Is it the official policy of the objectors to require a report from the Bureau of the Budget or the department concerned? In our own instance, in the case of the Committee on Interior and Insular Affairs, we will frequently report bills which will be placed on the Consent Calendar. Will you require a favorable report from the Department of the Interior as well as the Bureau of the Budget before you consider the bill on the Consent Calendar?

Mr. DEANE. In the past, may I say in answer to the gentleman, the committee has asked for reports from the departments concerned where it is considered essential. It is my understanding that a number of bills may be reported from the distinguished member's committee, which you mentioned, which perhaps do not carry reports since they were previously submitted. I think the individual objectors would use their own discretion as to whether or not a report is necessary.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. DEANE. I yield.

Mr. CUNNINGHAM. In answer to the gentleman from Nebraska, I might state in addition to what the gentleman from North Carolina [Mr. DEANE] has said, if the clerks of the committees, particularly the clerk of the gentleman's own committee, when they are in doubt will consult with you or with any Member on this side on the Consent Calendar Committee, we can advise them and in that way we will not have bills on the Consent Calendar which should not be there. Does the gentleman from North Carolina not agree with that?

Mr. DEANE. I feel that this would be a good time to express the feeling that while members of the Committee of Objectors are pleased to advise with Members on the day that the Consent Calendar is called, it would certainly expedite matters if the Members could speak to us in advance of the day when the bills are to be considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, upon the written consent of the director of the California State department of agriculture, the Secretary of Agriculture of the United States is authorized and directed to convey, for a consideration of \$1, by quitclaim deed to the Vineland School District, Bakersfield, county of Kern, State of California, and its successors and assigns, all of the right, title, and interest reserved or retained by the quitclaim deed from the United States of America to the aforesaid Vineland School District dated November 28, 1947, covering 36.759 acres, more or less, and recorded on December 10, 1947, in book 1341 of official records, page 424, in the office of the county recorder, Kern County, Calif.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BATTLE OF BROOKLYN

The Clerk called the bill (H. R. 473) to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to make an investigation and report thereon to the Congress at not later than March 1, 1955, with respect to the advisability of establishing a national monument in Brooklyn, N. Y., in honor of 256 Maryland heroes who fell in combat during the Battle of Brooklyn on the 27th day of August 1776. The report to the Congress shall include information regarding the following:

- (1) National historical importance of such a memorial;
- (2) Nature of burial site, identity of exact site of burial, size and present-day conditions of site, including improvements thereon;
- (3) Complete cost for the establishment of such memorial;
- (4) Cost of maintenance of such a memorial and amount thereof that will be paid for by the city of New York and/or the State of New York; and
- (5) Recommendations.

With the following committee amendment:

Page 1, line 5, strike the words "at not later than March 1, 1955," and insert in lieu thereof the following language: "within 1 year following the appropriation of funds to the Department of the Interior for the purposes of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND FOR EDUCATIONAL USE IN TERRITORY OF ALASKA

The Clerk called the bill (H. R. 607) to provide that lands reserved to the Territory of Alaska for educational purposes may be leased for periods not in excess of 55 years.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second proviso in the first section of the act entitled "An act to reserve lands to the Territory of Alaska for educational uses, and for other purposes," approved March 4, 1915, as amended (48 U. S. C., sec. 353), is amended to read as follows: "Provided further, That the Territory may, by general law, provide for leasing said land in areas not to exceed 1 section to any one person, association, or corporation for not longer than 55 years at any one time."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING NATURAL FIBERS ACT

The Clerk called the bill (H. R. 2123) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 942) to repeal Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That Public Law 820, 80th Congress (62 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold," is hereby repealed.

SEC. 2. This act shall take effect on June 30, 1955.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 2123, was laid on the table.

FEDERAL RECLAMATION PROJECTS

The Clerk called the bill (H. R. 103) to provide for the construction of distributions systems on authorized Federal reclamation projects by irrigation districts and other public agencies.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That irrigation distribution systems authorized to be constructed under the general provisions of the Federal reclamation laws may, in lieu of construction by the Secretary, be constructed by irrigation districts and other public agencies according to plans and specifications approved by the Secretary of the Interior.

SEC. 2. To assist financially in the construction of the aforesaid local irrigation distribution systems by irrigation districts and other public agencies the Secretary of the Interior is authorized to make funds available on a loan basis from moneys appropriated for the construction of such distribution systems to any irrigation district

or similar public agency in an amount equal to the estimated construction cost of such systems, contingent upon a finding by the Secretary that the loan can be returned to the United States in accordance with the general repayment provisions of sections 2 (d) and 9 (d) of the Reclamation Project Act of August 4, 1939 (ch. 418, 54 Stat. 1187, 43 U. S. C. 485).

SEC. 3. Except as herein otherwise provided, the provisions of the Federal reclamation laws, and acts amendatory thereto, are continued in full force and effect

With the following committee amendment:

Page 1, line 4, strike the words "the general provisions of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE YAKIMA INDIAN RESERVATION

The Clerk called the bill (H. R. 1801) to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) for the purpose of effecting consolidations of land, situated within the Yakima Indian Reservation in the State of Washington, between the Yakima Tribes of Indians and individual members of the tribes and other Indians, for the mutual benefit of the tribes and the individual members thereof, the Secretary of the Interior is authorized in his discretion to—

(1) purchase for the Yakima Tribes, with tribal funds of such tribes on deposit in the United States Treasury, or otherwise, any lands held by individual members of the Yakima Tribes and other Indians under trust patent or other restrictions against alienation including lands in heirship status, within the Yakima Indian Reservation, including interests therein or improvements thereon, water rights, and surface rights;

(2) sell to individual members of the Yakima Tribes any tribal trust lands within such reservation, including lands, interests, improvements, and rights acquired for the tribes under this act; and

(3) exchange any tribal trust lands within such reservation, including lands, interests, improvements, and rights acquired for the tribes under this act, for lands situated within such reservation which are held by individual members of the tribes and other Indians under trust patent or other restrictions against alienation including lands in heirship status.

(b) The Secretary shall obtain the advice and consent of the Yakima Tribal Council before entering into any such transaction. The terms and conditions of any such transaction, including the price at which any land is so purchased or sold and the valuation of any lands so exchanged, shall be mutually agreed upon by the Secretary, the Yakima Tribal Council, and the individual Indian or Indians concerned. Any such exchange of tribal lands for lands held by individual members of the Yakima Tribes or other Indians, and for lands in heirship status, shall be effected on the basis of approximately equal consideration with due allowance for the value of improvements in determining the value of such lands.

SEC. 2. (a) Title to lands, interests, improvements, or rights so acquired by the Secretary for the Yakima Tribes through purchase or exchange shall be held by the

United States in trust for the Yakima Tribes. Title to tribal trust lands, interests, improvements, or rights sold by the Secretary to individual members of the Yakima Tribes or exchanged by the Secretary for lands held under trust patent or other restrictions against alienation by individual members of the tribes and other Indians or for lands in heirship status shall be held by the United States in trust for the individual Indian or Indians concerned.

(b) Sums derived from the sale of tribal trust lands, interests, improvements, and rights shall be credited to the tribal funds of the Yakima Tribes.

SEC. 3. (a) No transaction entered into under this act shall affect, without the consent of the lessee, any lease of lands, interests, improvements, or rights involved in such transaction, or any right of the lessee with respect to extension or renewal of such lease, which is in existence at the time such transaction is entered into.

(b) Nothing in this act shall affect the existing status of any lands, interests, improvements, or rights with respect to taxation.

SEC. 4. The Secretary is authorized to prescribe such regulations as may be necessary to carry out the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO INCREASE CRIMINAL PENALTIES UNDER SHERMAN ANTITRUST ACT

The Clerk called the bill (H. R. 3659) to increase criminal penalties under the Sherman Antitrust Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PATMAN. Mr. Speaker, reserving the right to object, may I ask someone about this bill? Is this the bill that raises the penalty from \$5,000 to \$50,000 a year?

Mr. ROGERS of Colorado. That is right.

Mr. PATMAN. It does not go any further than that?

Mr. ROGERS of Colorado. That is right.

Mr. PATMAN. I hope the gentleman will not insist on consideration of this bill now and will get a rule, because I think the bill should have amendments.

Mr. ROGERS of Colorado. What does the gentleman mean?

Mr. PATMAN. Get a rule for the consideration of the bill and bring it to the floor of the House in the regular way so that Members may be able to offer amendments if they desire to do so.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CELLER. This bill passed the House on two previous occasions. It has the unanimous report of the Committee on the Judiciary, and has had on all occasions.

Mr. PATMAN. But it means so little to think of fining a concern for committing one of the worst acts against the public interest, no more than half of what one concern pays a master of ceremonies for 1 hour's time on television. If that is not a slap on the wrist, I do not know what it is.

Mr. CELLER. True, the present penalty of \$5,000 is a slap on the wrist, but

you must remember that you may have ten or a dozen counts in one indictment, and the fine could be repeated for each count. I think we have to make progress slowly. A \$5,000 penalty has existed since 1892 when we passed the Sherman Act. I think it is incumbent upon us to consider that the value of the dollar has shrunk considerably, and \$50,000 in the estimation of the members of the Committee on the Judiciary would be deemed ample at this time. If at some other time you want to increase it, we might well do so.

Mr. PATMAN. While the dollar has shrunk, we have four times as many of them. I shall be compelled to object if you insist upon consideration at this time because I think an amendment should be offered to strengthen the penalty.

Mr. CELLER. Why do you not offer it now?

Mr. PATMAN. I do not want to offer it now. I want to offer it under the general rules of the House.

Mr. ROGERS of Colorado. Have you any suggestions to make to the Committee on the Judiciary as to what the amendment might be?

Mr. PATMAN. There should be jail penalties, or something like that, which is effective. Fines have proven to be ineffective in the past so we should consider making the penalties more severe than just fines.

Mr. CELLER. Will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. CELLER. There is in the present statute a provision for a jail penalty up to 1 year.

Mr. PATMAN. But no one has ever been put in jail. That is something that should be looked into. Possibly we should consider making a jail penalty mandatory under certain conditions.

Mr. CELLER. Do you think if you increase the penalty beyond \$50,000 it would put anybody in jail?

Mr. PATMAN. No, but we should make it compulsory in certain instances where there is no question about guilt and when the offense is sufficiently serious to justify a real effective penalty.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PATMAN. Mr. Speaker, I hope the gentleman will withdraw this and bring it up under a rule.

The SPEAKER. Is there objection?

Mr. PATMAN. I object, Mr. Speaker.

TO PERMIT MINING, DEVELOPMENT, AND UTILIZATION OF MINERAL RESOURCES IN PUBLIC LANDS WITHDRAWN OR RESERVED FOR POWER DEVELOPMENT

The Clerk called the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Public Law 14 - 84th Congress
Chapter 14 - 1st Session
S. 942

AN ACT

All 69 Stat. 13.

To repeal Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 820, Eightieth Congress (62 Stat. 1098), entitled "An Act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold", is hereby repealed.

5 USC 234-234f.

SEC. 2. This Act shall take effect on June 30, 1955.

Effective date.

Approved March 23, 1955.

